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*All countries information is updated until 21.05.2020*

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# Introduction

## **COVID-19 measures:**

An overview on 27 countries across Europe

Facing the consequences of the COVID-19 Pandemic, which go far beyond the crucial element of public health, many European countries have prepared and implemented immediate measures in order to mitigate the social and economic impact of the outbreak. Following the first phase of the Pandemic during which almost everywhere, absolute priority was given to the protection of health and the containment of the infection risk, discussions about measures related to an exit strategy and a return to the - new? – normal are emerging, at least in some countries.

Highlighting the most important fields of action of 27 European countries, Deloitte puts under a magnifying glass the measures adopted in the economic, social and employment areas. The Deloitte **COVID-19 EU measures** booklet provides meaningful synthesized information on the major measures taken in those countries with the aim of stopping the spread of COVID-19 and mitigating its consequences –as well as on emerging measures related to the preparation for and the implementation of the ramp-up and the way into the new normal. It aims at giving an overview on these multilayered measures, thereby decreasing complexity for businesses who need to be informed about the situation in numerous jurisdictions. The material is constantly updated - on a weekly basis - to reflect the dynamic situation.

***All countries information is updated until 21.05.2020***

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## General Measures

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- **Measure:** Closing **until the end of the epidemic caused by COVID-19, of:**

- Facilities that provide night club services;
- Indoor facilities dedicated to entertaining children and youth;
- Activity of gyms, sports centers, swimming pools;
- Activity of internet centers;
- Activity of cultural and entertainment centers.

**Legal Act:** (Order No. 156, of the Ministry of Health and Social Protection, dated 10.03.2020).

**Amendment:** Amended by Order No. 223 dated **01.04.2020** "For taking special measures to prevent the spread of COVID-19 infection until the end of the epidemic situation caused by Covid-19"

- **Measures:**

- Entities or individuals which export medicinal and medical equipment without a proper authorization from the Minister of Health may be subject to a penalty ALL 5,000,000 (five million) and the seizure of medicinal and or medical equipment. In case of repeated breach this will be accompanied with the suspension of the activity for a period of 6 months;
- Entities or individuals which organize public gathering events may be subject to a penalty ALL 5.000.000 (five million);
- Entities or individuals exercising activities in closed entertainment premises for children and young persons, gyms, sport centers, internet centers, and cultural centers which do not comply with the orders of the competent authorities for their suspension are subject to a penalty of ALL 1,000,000 (one million). In case of repeated breach this will be accompanied with the suspension of the activity for a period of 6 months;
- Postal services should regularly continue their services and should take adequate measures for the limitation of the contact of the public with employees. Breaches of this provision will be subject to penalty of ALL 1,000,000 (one million);

Drivers of vehicles who do not comply with the limitations set out by the competent authorities for the circulation of vehicles in the areas and timeslots defined by the competent authorities, will be subject to the suspension of the driving license for a period of 3 years and the seizure of the vehicle;

The increase of the sale price of food products, medicinal, medical equipment or services compared to their regular price in the foregoing months (for seasonal products in the foregoing years) which are not a result of the increase of the import price are subject to a penalty of ALL 5,000,000 (five million) for wholesale traders and ALL 1,000,000 (one million) for retail traders. In case of repeated breach this will be accompanied with the suspension of the activity for a period of 6 months;

- All television programs having more than two people in the same studio will be subject to a penalty of ALL 1,000,000 (one million) and in case of repeated breach the full or partial blocking of the transmission;
- Drugstores, medicinal traders and or producers which offer services by not applying the safety criteria set out by the competent authorities will be subject to a penalty of ALL 10,000,000 (ten million) for wholesale and ALL 50,000 (fifty thousand) for retail traders. In case of repeated breach all the product quantity will be seized and the activity will be suspended for a period of 3 years;
- Entities/individuals engaged in wholesale and retail of food products which offer services by not applying the safety criteria set out by the competent authorities will be subject to a penalty of ALL 10,000,000 (ten million) for wholesale and ALL 50,000 (fifty thousand) for retail traders. In case of repeated

breach all the product quantity will be seized and the activity will be suspended for a period of 3 years;

Depending on the spreading dynamics of COVID-19, in case of necessity, upon order of the Ministry of Health, all private hospitals, health and hotel structures as well as ambulances along with the relevant staff will be placed on the disposal of the patients infected with COVID-19.

- Failure to comply with such order will be subject to a penalty of ALL 5,000,000 (five million) for structure and ALL 100,000 (one hundred thousand) for medical personnel. In case of repeated breach, for the structure will be applied the suspension of the activity and will be forcibly placed at the disposal of the public health service while for medical personnel will be prohibited the exercise of the profession for a period of 10 years.

**Legal Act: Normative Act no. 3, dated 15.03.2020** "On Special Administrative Measures During the Infection Period caused by COVID-19", **as amended.**

- **Measure:** Declaration of the state of natural disaster until **23.06.2020** throughout the Republic of Albania due to the epidemic caused by COVID-19 and the restriction of some constitutional rights to the extent considered necessary to achieve the protection of the health of citizens. The rights that can be restricted are exactly:
  - The inviolability of residence (article 37);
  - The right to choose residence and freedom of movement (article 38);
  - Expropriation for a just reward (article 41, paragraph 4);
  - The right to freely choose a profession
  - The right to strike (article 51).

This Decision provides for specific obligations for public institutions, civil defense system operational structures, private entities and all citizens.

**Legal Act:** Decision of Council of Ministers no. 243, dated 24.03.2020 "On the Declaration of the State of Natural Disaster", **as amended by the Decision of the Council of Ministers no. 342, dated 25.4.2020 "On an amendment to the decision no. 243, dated 24.3.2020, of the Council of Ministers,"**

- **Measures**

- Apart from hospitals, health and hotel structures, upon proposal of the Minister of Health and the Minister for Reconstruction any other structure considered indispensable is placed at the disposal of the emergency situation caused from COVID-19. Individuals who do not comply with circulation limitations in the daily hours set from the authorities and without accompanying persons may be subject to a penalty of ALL 10,000, exclusion from the benefits deriving from alleviating financial measures related to the emergency and the seizure of the vehicle (if any) for a period of 3 months.
- All entities engaged in the wholesale of food and other products indispensable for the situation of the epidemic emergency caused from COVID 19, should take the necessary actions for assuring a trading stock of 3 months or in accordance with the expiration terms of the products. In case that the epidemic emergency ends, and the wholesale traders have not sold the stock accumulated under this provision, upon their request may sell the remaining stock to the General Directorate of State Reserves in accordance with the purchase invoice of the goods. – All entities engaged in the wholesale and production of medicines/medical devices and entities that provide health services, should be prepared and should undertake all measures

needed to secure the supplies of medicinals and medical devices and to provide necessary health services, in order to tackle the situation of the epidemic emergency situation caused by COVID-19.

- Failure to comply with the obligations described in points 3 and 4 above may be subject to a penalty of ALL 5.000.000 and the expulsion for 3 years from procedures of public procurement.

**Legal Act: Normative Act no. 8, dated 24.03.2020, "On some additions and amendments to Normative Act No.3 dated 15.3.2020"**

- **Measure:** On the official Gazette no. 50, is published the Normative Act of the Council of Ministers no. 9, dated 25.03.2020 "On special measures in the field of judicial activity during the infection period caused by Covid-19" (Normative Act 9). Court hearings on administrative, civil and criminal cases, scheduled in all courts, are postponed until the end of the state of epidemic emergency caused by the proliferation of COVID-19, except emergency cases as defined in this act.

**Legal Act: Normative Act no.9, dated 25.03.2020**

- **Measure:**

The Ministry of Health and Social Protection has published **Order No. 257 dated 10.04.2020 "For detailing the activities under the nomenclature of economic activities" (Order 257). Order no.257 provides for the following:** 01. The activities defined in the table attached to Order No. 193 dated 20.03.2020 "On the closure or restriction of movements in the Republic of Albania" are detailed according to the nomenclature of economic activities and approved according to the list attached to this order.

**For the list of open activities as well as the Guide from ISHP "For general recommendations to business entities that are allowed to carry out the activity in terms of eased measures taken to limit the spread of Covid-19", please refer to the following links:**

[https://e-albania.al/PopupBizneset/Lista\\_e\\_aktiviteteteve\\_te\\_hapura.pdf](https://e-albania.al/PopupBizneset/Lista_e_aktiviteteteve_te_hapura.pdf)  
[https://e-albania.al/PopupBizneset/Protokollet\\_qe\\_duhet\\_te\\_zbatojne\\_bizneset\\_e\\_hapura.pdf](https://e-albania.al/PopupBizneset/Protokollet_qe_duhet_te_zbatojne_bizneset_e_hapura.pdf)

**Legal Act: Order no.257, dated 10.04.2020** "For detailing the allowed activities under the nomenclature of economic activities".

- **Measure:** The Council of Ministers issued a normative act for pardoning all administrative measures of a punitive nature, imposed by the relevant state authorities, for violating the rules or legal and sub-legal acts issued for taking measures to prevent and combat COVID -19 to date 17.4.2020.  
**Legal Act: Normative act no. 16, dated 17.4.2020 On pardoning administrative measures of a punitive nature imposed during the period of infection caused by COVID-19**
- **Measure:** On April 22, the High Judicial Council decided to resume the activity and judicial services in all courts in the Republic of Albania, starting on April 27, 2020.

The resumption of the judicial activity and services comes in the context of the easing of measures in the whole country, after having been suspended save for exceptional cases, from 10.03.2020 through successive decisions of the High Judicial Council. The activity of the courts will continue according to the restrictions defined in the Normative Act no. 9, dated 25.03.2020, "On taking special measures in the field of judicial activity, during the epidemic caused by COVID-19", approved by the Albanian Parliament on 16.04.2020. In this context, the Supreme Judicial Council explains that:



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- The judicial activity and services will be limited only to cases of pressing nature, while other cases not of this nature will continue to be suspended;
- Statute of limitations (i.e. time limits within which an action must be brought to court) with respect to lawsuits, appeals and any other procedural action in administrative, civil and criminal court cases which are not of a pressing nature, will remain suspended.

The Supreme Judicial Council does not provide any explanation with regard to the meaning of the categories of “cases of a pressing nature” and “cases not of a pressing nature”.

Furthermore, the Supreme Judicial Council notifies that a commission is established with the aim of preparing a plan of measures regarding judicial activity. The Supreme Judicial Council will notify the new developments and the respective explanations in the upcoming days.

**Legal Act:** Decision of The High Judicial Council no. 143, date 22.04.2020 “On the resumption of judicial activity and services”,

- **Measure:** Pursuant to the provision of the Red Protocol of hygienic-sanitary measures Covid-19, the State Labor and Social Services Inspectorate through the recently published announcement, on the official website <http://inspektoriatipunes.gov.al/>, informs all business entities that they have the obligation to notify to this institution the personal information and the respective

license of the person responsible for health at work.

- **Act:** Official Notice from the Labor Inspectorate dated 11.05.2020.

• **Measure:**

All citizens coming back in Albania during this period are obliged to self-quarantine for 14 days. Any individual who does not comply with the above rule shall be punished based on the Albanian Criminal Code, as amended.

**Legal Act: Order of the Ministry of Health and Social Protection No. 305 dated 08.05.2020.**

• **Measure:**

**The Ministry of Health and Social Protection has published on 18.05.2020 some amendments to Order no. 193 dated 20.03.2020 “For the restriction of movements in the Republic of Albania”, as amended.**

This order provides for:

01. The extension of the movement period for pedestrians and vehicles in the red areas until 21.00 hrs.
02. Businesses may exercise their activity in red areas until 2.00 hrs.
03. The movement of pedestrians and vehicles for this week will be allowed throughout the country without authorizations.

**Legal Act: Order no. 327 “On some additions and amendments on Order no. 193 dated 20.03.2020 “For the restriction of movements in the Republic of Albania”, as amended**

## General Measures

### Economic Measures

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### Next Steps

- **Measure:** The Prime Minister of the Republic of Albania and the Governor of the Bank of Albania have ordered the postponement of the repayment term of the loan instalments to the business entities and individuals until 31.05.2020. This measure applies to all borrowers who have experienced difficulties during this period as a result of COVID-19.

**Legal Act:** Decision of the Supervisory Council of Albania dated 14.03.2020.

- **Measure:** The Competition Commission of the Competition Authority has decided taking the following interim measures
  - A. Prohibition of the conduct of undertakings operating in the wholesale and retail network (importer, pharmaceutical warehouse and pharmacy) of paramedical materials, which directly or indirectly impose unfair trading prices or conditions.
  - B. In order to avoid abusive behaviour in the trading chain, forcing all enterprises operating in the import and wholesale market of paramedical materials to be transparent when deciding the market price of sanitizing materials, alcohol and masks.
  - C. Applying cost-oriented pricing and publishing it on official enterprise websites or other communication channels.
    - The interim measure shall be effective for a period of time until the conclusion of the investigative procedure (According to Decision No. 684 dated 18.03.2020).

**In case of non-enforcement of the decision on interim measures referred to in point (1) of this Decision, the companies found to be in breach shall be fined up to 10% of the annual turnover for a serious breach of competition pursuant to Article 74, point 1, letter b) of law no. 9121/2003.**

**Legal Act:** Competition Commission's decision No. 685, dated 18.03.2020 “On the provisional measure for establishing competition in the wholesale and retail market of paramedical materials”,

- **Measure:** Provision of financial assistance to self-employed persons and employees employed in business entities with annual income up to ALL 14 million that have interrupted their economic activity based on the orders of the Ministry for Health and Social Protection. The following categories shall benefit a monthly financial assistance amounting up to ALL 26,000 (approx. EUR 210):
  - Self-employed natural persons;
  - Unpaid family employees of a commercial natural person;
  - Individuals employed in commercial natural persons;
  - Individuals employed in legal entities.

In addition to the above, individuals, beneficiaries of economic aid and beneficiaries of unemployment income or individuals that have applied to obtain such benefits before the 10.03.2020 shall obtain a economic assistance of ALL 52,000 (approx. EUR 420).

**Legal Act:** Decision of the Council of Ministers no. 254, dated 27.03.2020

“On determination of procedures, documentation and the amount of financial assistance for employees employed in business entities with annual income up to ALL 14 million, payment of economic aid and unemployment benefit during the period of natural disaster, declared as consequence of COVID-19”.

- **Measures:** The Prime Minister, the Deputy Prime Minister and the Ministers, during the period of the epidemic caused by COVID-19 shall receive a net monthly salary of 50% of the current net monthly salary. Also, members of councils, boards or committees of state administration institutions, for the period from April 1, 2020 until the end of the epidemic caused by COVID-19, but for no more than three months, shall not receive the relevant monthly remuneration.

**Legal Act:** Decision of Council of Ministers No. 267, dated 31.3.2020 “On temporary financial treatment of some Officials and employees of the State Administration, during the epidemic caused by COVID-19”

- **Measure:** Approval of the state guarantee line, in the amount of 11,000,000,000 (eleven billion) ALL (approx. 87,000,000 EUR), in favor of the second level banks, which exercise their activity in the territory of the Republic of Albania, part of the guarantee scheme that will enable lending to cover the salaries of traders or companies, whose activity has been closed or affected by a reduction in turnover, as a result of decisions of the Council of Ministers and orders issued by the Ministry of Health and Social Protection, under management of the situation created by COVID-19.

After 60 (sixty) days from the date of signing the relevant agreements, if necessary, according to the report of the special inter-institutional structure, the Minister of Finance and Economy has the right to propose to the Council of Ministers the reallocation of the guarantee amount, from the lender who has not paid the amount of the guarantee in his favor to the lender who has exhausted it completely.

This decision does not include traders or commercial companies, which before its approval are subject to the benefit of the salary subsidy scheme according to decision no. 254, dated 27.3.2020, of the Council of Ministers, “On determining the procedures, of documentation and the measure of receiving financial assistance for employees in business entities with annual income up to 14 million ALL, economic assistance and payment of income from unemployment during the period of natural disaster, declared as a result of COVID19”.

The guarantee agreement shall be in accordance with the draft attached to the Council of Minister's Decision.

**Legal Act:** Decision of the Council of Ministers no. 277, dated 06.04.2020.

• **Measure:**

According to the Amending DCM are exempt from benefitting the monthly financial assistance amounting to ALL 26,000:



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- Individuals who are employed in more than one company, when at least one of the companies in which the individual is employed, is not included in the list of closed economic activities as a result of the measures taken in order to prevent the spread of Covid-19; and
- Self-employed or employed individuals, which during 2019 have generated gross income or from salary over ALL 2 million (approx. 16.000 EUR)

**Legal Act:** In the Official Gazette no. 65, dated 13.04.2020, is published the Decision of the Council of Ministers no. 284, dated 10.04.2020 ("Amending DCM"), in support of the Decision of the Inter-Ministerial Committee on Civil Emergencies no. 7, dated 09.04.2020, which brings some additions and amendments to the DCM no. 254, dated 27.03.2020 "On procedures, documentation and amount of financial assistance to employees working in businesses with annual income of up to ALL 14 million, as well as assistance to beneficiaries of economic aid and recipients of unemployment income, during the period of natural disaster Covid-19".

• **Measure:**

In the **Normative Act no.3** the following changes are made:

All lessees natural / legal persons with incomes **up to 14 000 000 (fourteen million) ALL (approx. 111.000 EUR)** per year, who have a notarial lease contract for the development of their economic activity, signed prior to the declaration of the state of the epidemic, whether it is permitted or prohibited activity as a result of the situation caused by COVID-19, will not pay the rent for two months, **April and May 2020.**

**The following rules for the Active Processing Businesses are provided:**

- Contracting authorities, in order to meet the needs for necessary goods / services, for a very short delivery time, or for particularly convenient cases, which are presented in a very short time and at a lower price than normal market prices, to cope with the situation created by the epidemic caused by COVID-19, during all its duration, to meet the emergency needs, perform procurement procedures with negotiation, without public announcement and enter into supply contracts for these goods with economic operators referred to as "active processing businesses", as provided by the Customs Code.
- Active processing businesses, which produce goods or provide services necessary to cope with the situation created by COVID-19, after the entry into force of this normative act, if they have goods / convenient services, in the sense of this article, express their availability at the Centralized Purchasing Agency (ABP).
- Contracting authorities will only negotiate with the operators listed in ABP, according to the goods / services they want to procure. ABP has the obligation to update the list of businesses that express their availability every day.
- If the demand cannot be met by these operators, the contracting authorities may turn to other economic operators to meet the demand for these goods, in accordance with negotiated procedure, without prior notice.
- All the procedures used for concluding contracts that are dictated by the essential interests of the state are excluded from the rule defined as above.

**Legal Act:** On the Official Gazette no. 65 is published the **Normative Act no. 14, dated 11.04.2020** "On some changes and additions to the Normative Act no. 3, dated 15.3.2020, of the Council of Ministers, On special administrative measures during the infection period caused by Covid-19"

• **Measure:** Financial assistance for current employees and dismissed employees. **Beneficiaries of financial assistance amounting to ALL 40.000 (approx. EUR 330),** that covers the period April-June 2020 and is payable once as a single amount, are:

01. Employees in entities with annual turnover over ALL 14 million (approx. EUR 111.000), that have closed the activity;
02. Former employees in entities who have been permitted to carry forward their

activity, that have been dismissed during the period from the entry into force of the orders of the Minister for Health and Social Protection until 10.04.2020 and have been declared as terminated through the submission of the E-sig-27/a within 10.04.2020;

03. Employees in entities that carry forward their activity as accommodation facilities;
04. Employees in entities with annual turnover up to ALL 14 million (approx. EUR 110.000), that have been permitted to carry forward their economic activity and have been working in the date of entrance into force of the abovementioned orders, except for:
  - A. Individuals that benefit the financial assistance as former employees, based on point 2) of the list of beneficiaries above;
  - B. Employees of the following entities that are permitted to carry forward their activity:
    - Trade of food products, fruits and vegetables as well as pharmacy; as well as
    - Advocate, notary, specialist physician, pharmacist, nurse, veterinarian, architect, engineer, physician-laboratory technician, designer, economist, agronomist, registered accounting expert, certified accountant and property appraiser.

A common criteria for all the beneficiaries listed above is to have been employed and to be listed on the payroll lists of the respective entities at least until the date of entry into force of the orders of the Ministry of Health and Social Protection

**Are exempt from benefiting the financial assistance based on this Decision:**

01. Employed individuals, who during 2019 have generated gross income from salary over ALL 2 million (approx. EUR 16,000);
02. Individuals that are employed in more than one entity, if at least one of the activities where the individual is employed is listed in point 4).b).ii. above;
03. Employees in businesses with annual turnover up to ALL 14 million (approx. EUR 110.000), that have closed their activity, that benefit financial assistance to the amount of ALL 26,000 based on the Decision of the Council of Ministers no. 254, dated 27.3.2020
04. Employees of state institutions as well as employees in entities with state capital;
05. Employees of non-for-profit organizations.

**Legal Act:** Decision of the Council of Ministers no. 305, dated 16.04.2020, "On determination of procedures, documentation and amount of financial assistance for current employees and for dismissed employees due to Covid-19" published in the Official Gazette no. 67.

• **Measure:** Financial assistance for employees of the Ballsh Oil Refinery and for individuals who have not obtained economic assistance  
In addition to the Financial Package no. 2, the financial assistance is also provided for the following individuals on the following amounts:

- ALL 40,000 for employees of the Ballsh Oil Refinery, that are present on the payroll list of December 2019 and obtain a gross salary of less than ALL 100,000/month.
- ALL 16,000 for individuals applicants for economic assistance from July 2019 to April 2020, who have not received such economic assistance, and do not benefit either from the municipal fund, except for the cases when the individuals have been excluded from the economic assistance scheme according to Article 15 of Law no. 57/2019 "On social assistance in the Republic of Albania"

**Legal Act:** DCM no. 341, dated 23.04.2020 "On some additions and amendments to the decision no. 305, dated 16.04.2020 of Council of Ministers 'On the procedures, documentation and amount of financial assistance for current employees and for dismissed employees due to Covid-19'".





## Employment law and social protection measures

- **Measure:** For all businesses and private employers that cannot close their activity in order to sustain the economic chain, they must take measures to establish a safety distance between employees of 1.5 meters and to provide employees with protective equipment in order to maintain their health.
- **Legal Act:** (Official notice of Ministry of Health and Social Protection dated 11.03.2020).

### Other Measures on Social protection:

- Increase of the reserve fund from ALL 1.7 billion to ALL 9.2 billion, that shall be used by the Council of Ministers on the following:
  - ALL 6.5 billion as contingency for social package anti COVID-19;
  - ALL 1 billion for other emergencies in the context of anti COVID-19 measures; and
  - ALL 1.7 billion for unpredicted situations of the general governmental units;

- Health insurance budget increased, among which an amount of ALL 2.5 billion will be used for current and capital expenditure as a fund for antiCOVID-19 measures.
- Additionally, through the Decision of Council of Ministers No. 240, dated 21.03.2020 "On an addition to fund in the state budget of the year 2020, approved for the Ministry of Health and Social Protection, on measures for the fulfilment of preliminary necessities as a result of COVID-19 outbreak", a fund of 46,105,800 ALL (forty six million and a hundred and five thousand and eight hundred) has been accorded to the Ministry of Health and Social Protection in the programme "Planning, management and administration" for the measures for the fulfilments of preliminary necessities as a result of COVID-19 outbreak, in the current expenses category.

Legal Act: Normative Act no. 6, dated 21.03.2020 "On some additions and amendments to the law 88/2019 "On the state budget for year 2020"

- **Measure:** The Minister of Health and Social Protection has approved a detailed guidance for the necessary health and safety measures that businesses must comply with, in order to carry out their activity.

This guidance categorizes businesses based on the level of risk imposed on employees, and provides for the obligation of every private entity to arrange for their employees protective masks and gloves, and continuous office disinfection.

**Legal Act: Order of Ministry of Health and Social Protection No. 266, dated 21.04.2020.**

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## Criminal law measures

- **Measure:** On April 23, 2020, the Parliament of Albania has approved law no. 35/2020 "On some additions and amendments to the law no. 7895, dated 27.1.1995, 'Criminal Code of the Republic of Albania', as amended".
- **Failure to implement the measures of the state authorities during the state of national emergency or during the state of the epidemic.** Parliament has approved amendments to the Criminal Code, namely Article 242 "Disobedience to the order of a police officer" **by adding paragraph 242 /a**, reinforcing the measure of a fine or imprisonment if no actions are taken, or committed contrary to the legal or sub-legal provisions issued by state bodies during a state of national emergency. In such cases the following measures will apply:
  - It constitutes a criminal offense and is punishable by a fine or imprisonment of up to six months, if the person has previously been given an administrative measure.

- If such offense is committed during the exercise of commercial activity, endangering the health of people, it is punishable by a fine or imprisonment of up to two years.

### • Failure to comply with the quarantine or isolation order:

- For individuals who may be carriers of an infectious disease, and are obliged to stay in isolation, if they do not comply with such order, will be punished by imprisonment of two up to three years.

### The spread of infectious diseases

- A new provision has been added to the Criminal Code regarding the intentional spread of infectious disease and associated high health risks. There will be penalties against all those individuals who have been diagnosed as carriers of the disease, but continue their social life without respecting the relevant measures.

- When actions or omissions to spread the disease are intentionally committed by the individual, he/she shall be punished by two to five years imprisonment.
- If these actions have been committed due to negligence, the individual will be punished by a fine imprisonment of up to two years. However, in any situation, if such act has caused serious consequences for the health or life of people, it shall be punishable by three to eight years of imprisonment.

**Legal Act:** Law no. 35/2020 "On some additions and amendments to law no. 7895, dated 27.1.1995, 'Criminal Code of the Republic of Albania', as amended"

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- Depending on the statistical numbers of infected citizens, the lockdown restrictions may be further relaxed during the following weeks.





- **Interruption of time limits in court proceedings**

In court proceedings (civil proceedings, non-contentious proceedings, land register and commercial register proceedings as well as execution proceedings), statutory and judicial time limits pending after 22 March 2020 were interrupted until the end of 30 April 2020. The time limits restarted on 1 May 2020. In addition, the period from 23 March 2020 until the end of 30 April 2020 is not included in the period in which an action or application is to be brought before a court or a declaration is to be made. This concerns in particular limitation periods.

- **Court hearings by means of electronic communication**

Until the end of 2020 and with the consent of the involved parties, the civil courts may conduct court hearings by means of electronic communication without the physical presence of the parties. Additionally, any person that is involved in a court proceeding (e.g., parties, experts, witnesses, interpreters, etc.) may apply for its involvement by means of electronic communication, if such person may attest its increased health risk with regard to Covid-19.

- **Suspension of deadlines in tax and fiscal penal law procedures**

As further facilitation for taxpayers in connection with the COVID-19-pandemic, the Austrian Parliament adopted a suspension for certain – explicitly defined – deadlines in tax as well as fiscal penal law procedures. This includes, in particular, deadlines in appeals procedures. Furthermore, the deadline for tax returns 2018, that have not yet been filed, will be extended until 31 August 2020.

- **Interruption of time limits in other administrative procedures**

In pending official proceedings of the administrative authorities to which the administrative procedure acts (“AVG”, “VStG” and “VVG”) are applicable, all time limits whose triggering event fell after 22 March 2020, as well as time limits that had not expired by 22 March 2020, were interrupted until 30 April 2020. The time limits

restarted on 1 May 2020. This does not apply to time limits in proceedings under the Epidemics Act. The period from 22 March 2020 to 30 April 2020 is not included in (i) the period in which an application initiating proceedings (Sec. 13 para. 8 AVG) is to be filed, (ii) decision periods with the exception of maximum periods laid down in the constitution and (iii) periods of limitation. Decision periods shall be extended by six weeks, but if they are less than six weeks, only to the extent of the respective decision period itself. The deadline for payment of a penalty shall be extended and shall be six weeks (i) in the case of anonymous orders (“Anonymverfügungen”) issued in the period from 22 March 2020 to 30 April 2020 and (ii) four weeks in the case of on-the-spot fines (“Organstrafverfügungen”) if the document was left or handed over in the period from 22 March 2020 to 30 April 2020.

- **Temporary credit payout**

Pursuant to the Eighteenth Act on Covid-19, tax payers now have the temporary possibility to ask for a tax credit payout in full, despite of any application for or already granted accommodation of payment regarding current taxes payable. This refers to credits resulting from taxes that have to be calculated by the taxpayer as well as from tax assessments rendered after 10 May 2020 until 30 September 2020.

- **Changes in insolvency law**

In the event of over-indebtedness under insolvency law (“insolvenzrechtliche Überschuldung”) occurring between 1 March 2020 and 30 June 2020, the debtor is not obliged to file for insolvency. If the debtor is over-indebted at the end of 30 June 2020, he must apply for the opening of insolvency proceedings without culpable delay, but at the latest within 60 days after the end of 30 June 2020 or 120 days after the occurrence of over-indebtedness, whichever period ends later. The debtor’s obligation to apply for the opening of insolvency proceedings in the case of illiquidity (“Zahlungsunfähigkeit”) remains unchanged (in case of illiquidity caused by the COVID-19-pandemic, the statutory period to file such an application is extended

from 60 to 120 days).

- **Measures regarding company law**

Meetings of shareholders and members of corporate bodies of a corporation, a partnership, a cooperative, a private foundation, an association, a mutual insurance association, a small insurance association or a savings bank may be held and resolutions may be passed without the physical presence of the participants in accordance with a regulation issued by the Federal Minister for Justice. Contrary to the generally applicable rule, meetings or resolutions of stock corporations, limited liability companies and cooperatives may be held or passed within the first twelve months of the financial year of the company concerned. Insofar as periods or dates for certain meetings are stipulated in the articles of association, such meetings may also take place at a later date in 2020. Quarterly supervisory board meetings of stock corporations, limited liability companies and cooperatives may also take place after 30 April 2020. If, as a result of the COVID-19-pandemic, it is not possible for the legal representatives of a corporation, the management board of a cooperative or the management body of an association to prepare the accounting documents in the first five months of the financial year and to present them to the members of the supervisory board, this period may be exceeded by a maximum of four months. In addition, the annual financial statements must be submitted to the commercial register no later than twelve months after the balance sheet date, instead of the usual nine months. This rule applies to all companies whose last or next balance sheet date is between 30 September 2019 and 31 July 2020.

- **Amendment of the notary’s regulations**

If a legal transaction, a declaration or a legally relevant fact requires the form of a notarial deed or any other public or publicly certified deed, such official notarial act may be carried out by means of electronic communication (e.g. video conference) and, therefore, does not require the physical presence of the parties.



Since 15 May 2020, all businesses as well as services including catering outlets are allowed to reopen. Authorities and administrative bodies are open for customer service only upon appointment as of 18 May 2020. These measures are subject to the compliance with certain safety measures: the wearing of protective masks, disinfection as well as a limited number of customers per square meter at the same time.

Furthermore, Austria has committed, by a federal law, budget funds of up to EUR 38 billion for mitigating the economic consequences of the COVID-19-pandemic. These funds are intended to finance, inter alia, the following measures:

- **Hardship fund:**

The fund entails EUR 2 billion to support certain self-employed persons currently without revenues. It serves as a one-time subvention and does not need to be repaid. Applications are only possible online.

- **Bridge financing:**

The government offers three versions of guarantees in order to finance entrepreneurs, which would be economically sound, however do not possess any

or enough liquidity due to the COVID-19 crisis. In the version “basic” the government takes over a liability of up to 90% of the debt of entrepreneurs, whereas the liability is capped at EUR 27.7 million. The limit of interests is fixed at 1% p.a. and the entrepreneur has to pay a guarantee fee. The version “microcredit” consists of a 100%-guarantee, capped at EUR 0.5 million. In the version “de minimis” the financing is done by way of taking over the liability of up to 80%, with a cap of EUR 1.5 million per entrepreneur. For the latter versions there is no guarantee fee to be paid. Concerning businesses in the tourist industry, a reduced capping applies of EUR 0.5 million and EUR 1.5 million per entrepreneur respectively, depending on the type of guarantee and the amount of liability taken over.

- **Corona-Relief-Fund:**

Companies that have particularly been affected by bans on access, travel and/or assembly restrictions, respectively, are confronted with a high scale loss of revenue or of which the business foundation is threatened, shall be supported by guarantees and direct subventions. A total amount of EUR 15 billion is at the fund’s disposal. The guarantee granted by the republic of Austria collateralizes 90% of

operating loans with a limit of 3 months’ revenues or EUR 120 million. Applications are possible as of 8 April 2020 and have to be filed at the principal bank. Moreover, the government grants direct subventions to help covering companies’ fixed costs. Registration in this regard is possible as of beginning of May 2020 until end of December 2020 and is prerequisite for the application regarding the payout.

- **Venture Capital Fund & Covid-Startup-Relief-Fund:**

The funds consist of EUR 50 million and EUR 100 million respectively, and focus on helping Austrian start-ups by way of financing and subsidies.

- **Deferral/Reduction of tax prepayments:**

In case companies experience liquidity problems caused by the COVID-19-pandemic, the government has simplified the approach to apply for a deferral and/or reduction of tax prepayments, which would be due in the next upcoming months. Taxpayers are able to apply for a deferral of payment until 30 September 2020 at the most. An already imposed late payment fine will be removed upon request. Application for a reduction of tax prepayments have to be filed by 31 October 2020.



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### Limitation of default interest:

The default interest rate for all contractual relationships becoming due between 1 April 2020 and 30 June 2020 has been limited to 4% p.a.

### • Exemption from contractual penalty:

Contracting parties are exempted from penalty if fulfilling the contractual obligations has been made impossible considering the economical limitations caused by the COVID-19-pandemic.

### • Additional aid at province level:

At province level, there are additional financial aid measures like funding for interest payments for loans which were supported by the Republic of Austria by default guarantees.

Pursuant to the federal act on the audit of Covid-19 funding, tax authorities are able to subsequently audit support measures granted due to the COVID-19 pandemic. However, tax authorities will act as experts and not in their function as federal tax

authorities. The support measures in question include subsidies and issues of guarantees based on the ABBAG Act as well as subsidies out of the hardship fund and/or granted within the scope of the working-time reduction model.



## Employment law and social protection measures

### • Working-time reduction model (“Corona-Kurzarbeit”)

Under the short-time work regime, companies are able to reduce the working hours down to 0% of the normal working hours, with the limitation that within a 3-months’ period of time, at least 10% of the normal working hours have to be actually carried out on average. Despite the reduction of working hours, employees still receive up to 90% of their net salary. Hereby, the employer pays the salary equivalent to the actual working hours, whereas the government pays the difference up to 90% (e.g., if the employer reduces the working hours of an employee down to 20%, the employer will have to cover such 20% and the government will pay the remaining up to 70%). The Public Labour Office (“Arbeitsmarktservice” – “AMS”) will also refund the employer’s contributions to the social security provider. It is not a binding prerequisite for employees to consume remaining vacation and overtime entitlements; instead, consumption of overtime and vacation entitlements may be regulated by company agreement. Working-time reduction can also apply to apprentices and members of the executive body, if they are covered by the Social Security Act (“Allgemeines Sozialversicherungsgesetz” – “ASVG”). There are also slight changes regarding the application procedure. Employers shall send the company agreement or individual agreement(s) (in companies without a works council) directly to the competent social

partners, together with a statement regarding the economic necessity of the working-time reduction. After the social partners have signed the agreement(s), the employer has to fill in the new application form for working-time reduction and send all of the documents to the AMS. Moreover, the fund for the working-time reduction measures has been raised from the initial EUR 1 billion to EUR 10 billion and are planned to be further increased to EUR 12 billion.

### • Businesses with entry-ban – consumption of vacation entitlements

Businesses affected by an entry-ban or operating restrictions can request their employees to consume remaining overtime entitlements, as well as vacation entitlements of past years. Overtime entitlements based on the conversion of monetary entitlements as stipulated in collective bargaining agreements are excluded, as well as vacation entitlements arising in the current year. An employee can be asked to consume the latter to the maximum amount of two weeks. Overall, an employee can be requested to consume vacation and overtime entitlements to a maximum extent of eight weeks.

### • Deferrals of an employer’s social security contributions

Businesses affected by an entry-ban or operating restrictions may defer

contributions for the months of February, March and April 2020 without late payment interest fees. Other businesses may also apply for a deferral, if they can show that the contributions cannot be paid due to the COVID-19-pandemic, and the resulting threat to the company’s liquidity.

### • Further employment law amendments

If it is in the public interest, public servants and contract staff can be requested to consume remaining overtime and vacation entitlements to a maximum extent of two weeks. Other changes include provisions on pre-retirement part-time-work (“Altersteilzeit”), the extension of mandates of employee representatives, and the special care leave (“Sonderbetreuungszeit”), which can now also be requested to care for relatives in need, as well as for disabled persons who have used personal assistance before, if such assistance cannot be ensured anymore due to COVID-19. Furthermore, employees who belong to the COVID-19 risk group are entitled to leave of absence with continued payment if they cannot work from home or if their workplace cannot be secured accordingly. The respective employer is entitled to reimbursements by the competent health insurance institution (“Dienstfreistellung von Risikogruppen”).



## Criminal law measures

### • Adaptions in criminal proceedings and the penitentiary system

The Federal Minister for Justice has issued regulations adapting the Austrian Code of Criminal Procedure (“StPO”) and the Austrian Penitentiary System Act (“StVG”)

for the duration of the measures to prevent the spread of COVID-19. In criminal proceedings, for example, the appeal deadlines are extended. With regard to the penitentiary system, among other things, persons infected with COVID-19

and any contact persons are considered unfit for detention and visitation rights are somewhat restricted. Also, the time limit for re-entering detention shall be interrupted.



## Next Steps

### • Reopening of hotel industry

Hotels and accommodation services will be able to welcome guests as of 29 May 2020.

### • Events

Currently, no events are allowed to take place until end of June 2020.

• Any further changes and details will be announced by the government in the days and weeks to come and will take the development of the pandemic into consideration.





## General Measures

- **Essential displacements are allowed** (e.g. to go to work, food stores, the doctor, the bank, the post office, the pharmacist, to refuel or to help people in need). Besides that, each family may receive up to 4 people, who remain the same. These people are only allowed to visit that one family.
- **Social distancing** rules (1.5 meters distance) apply.
- Working is allowed, but **teleworking remains the norm**. Companies that cannot guarantee teleworking must respect social distancing. Contact professions (hairdressers, tattoo artists, etc.) may resume their activities under strict conditions.

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## Economic Measures

- **Credit payment deferrals**  
**On 21 March 2020** Federal government introduced measures stating that the banking sector commits itself to grant a deferral of payments for a maximum period of 6 months and until 31 October 2020, without any associated costs or fees payable by the borrower. This measure applies to facilities granted to companies (principal not having to be reimbursed) and mortgage credits granted to natural persons (principal and interests not having to be reimbursed). Credits concerned by these measures are credits subject to fixed instalments, overdraft facilities or fixed advance payments. Leasing and factoring are excluded from this state measure. Please note that bilateral agreements between the company and the leasing/factoring company are of course possible.
- Beneficiaries of this credit payment deferral are non-financial enterprises, small and medium-sized enterprises, the self-employed and non-profit organisations (excluding public authorities) that cumulatively meet the following 4 conditions:
  - The enterprise experiences payment difficulties as a result of the corona crisis;
  - The enterprise is permanently established in Belgium;
  - The enterprise was not already in default with regard to current credits or tax payments or social security contributions on 1 February 2020, or had less than 30 days arrears on its current credits, its tax payments or social security contributions on 29 February 2020;
  - The enterprise has performed its contractual obligations with all banks during the last 12 months prior to 31 January 2020 and is not subject to active credit restructuring.
 This lenient position towards debtors was adopted by the Belgian banking sector federation (Febelfin) based on charters (on corporate credits and mortgage credits) concluded between all members.  
 Companies that do not meet the conditions for extension cannot rely/expect such extension of payment based on this charter, but should seek alternative arrangements with their bank (relationship banking).  
 These credit payment deferrals are applicable as of now.
- **EUR 50b Guaranteed credit program**  
 The second measure agreed upon on 21 March 2020 is the guarantee scheme, set up for the purpose of extending additional financing to Belgian corporates and self-

- **Industry and B2B-services** reopened
- **Stores, libraries, museums, markets and natural tourist sites** reopened under strict conditions. Wearing a mask is “highly recommended” and you can only shop individually.
- **Regular outdoor and club sports trainings** and lessons (not exceeding 20 persons) may be resumed.
- A maximum of 30 people may attend **ceremonies** (weddings, funerals etc.) under strict conditions.
- **Gradual restart of education** but kindergarten remains closed;

employed persons.  
 The federal guarantee scheme includes all credits regardless the form (except leasing, factoring and consumer or residential mortgage credits) and concerns all new credits with maximum term of 12 months, extended between 1 April 2020 and 30 September 2020 (including credit repaid by 30 September 2020). Refinancing credits (extended prior to 1 April 2020), redrawings/revolvers of credit (extended prior to 1 April 2020), credit to be applied solely for non-Belgian activities and ‘deselected’ credits are excluded.

- Credit providers are the credit institutions (or branches of EU credit institutions) having outstanding exposure on 31 December 2019 on one or more borrowers amounting minimum EUR 20,000 each (55 credit institutions, with 15 representing 98%).
- The federal guarantee includes new credits and credit lines granted to **viable non-financial companies**, small and medium enterprises, self-employed persons and non-profit organisations.
- ‘Viable non-financial companies are those which:
  - Have no arrears on 1 February 2020 under any existing credit, taxes or social security contributions; or no more than 30 days in arrears on 29 February 2020 under any existing credit, taxes or social security contributions;
  - Are not subject to “active credit restructuring” (not defined) on 31 January 2020 (i.e. restructuring files as of 1 February are covered); and
  - Are not considered as being “in difficulties” on 31 December 2020 (within the meaning of EU State Aid Regulation).

Public entities, financial counterparties (payment institutions, electronic money institutions), persons extending credit exclusively or principally for their own account as part of their normal commercial or professional activities, or any of their subsidiaries are excluded from the federal guarantee scheme.

- Losses incurred under these facilities will be examined at the end of the guarantee scheme and will be allocated between the financial sector and the federal government as follows:
  - A first tranche equal to 3% of losses will be borne entirely by the financial sector;

- **Other restrictions** include:
  - All mass events are cancelled until 31 August 2020 with an exception for sport events which can resume (without public) per 1 August 2020;
  - all other cultural, sporting, tourist and recreational events are prohibited until 30 June;
  - Suspension of all classes until further notice;
  - Public transport continues to run but less frequent and rules of social distancing apply. Wearing a mask is obligatory when using public transport for everybody older than 12 years. Displacement as much as possible by own transport means
- (Limited) visiting possibilities in (residential) care centers

- The amount between 3% and 5% of losses will be borne equally (50-50) by the financial sector and public authorities; and
- For all losses above 5%, 80% will be borne by public authorities and 20% by the financial sector.

As of 1 July 2021 and by 31 March 2023 at the latest, banks will have to call on federal guarantee. There is no need to provide upfront losses evidence at the time of application, but ultimately evidencing the effective losses incurred taking account accelerating the credit and enforcing all other security interests.

- **Insurance**  
 The federation of insurance companies (Assuralia) has also announced a **similar package** of measures (automatic premium reduction and premium payment deferral) in favour of natural persons laid off temporarily because of the coronavirus, and vulnerable companies hit by the coronavirus crisis.

- **Regional measures – Flanders:**  
 The existing SME guarantee has been extended in size, scope and price for companies that are impacted by the Covid-19 crisis (bridge loan guarantee for existing non-bank debts up to 12 months, low-interest subordinated loans for start-ups and scale-ups, lowered one-off premium, guarantees for bank debts under existing credit facilities and investment credits).  
 The statutory Flemish Gigarant guarantee arrangement (LT arrangement) has been extended from EUR 1,5 billion to EUR 3 billion to cover a special Covid-19 guarantee, more flexible than the 2009 normal guarantees.  
 Compensation measures have been also taken place.

- **Regional measures – Wallonia:**  
 Creation of an extraordinary solidarity fund of EUR 635m which EUR 518m will be used to support enterprises and self-employed (guarantee scheme, credit payment deferral and providing facilities)

- **Regional measures – Brussels:**  
 Several similar support measures were taken by the Brussels government, Finance & Invest. brussels and the Government of the Wallonia-Brussels Federation (guarantee scheme on bank loans, low interest loans to specific industries and credit payment deferral).

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- **Health and safety of personnel is non-negotiable**

As of 4 May 2020, telework is recommended for all non-essential industries. If telework is not possible, companies shall take the necessary measures to ensure maximum compliance with the rules of social distancing by timely taking appropriate preventive measures. If that is not possible, companies are not obliged to close anymore (situation prior to 4 May) but must take measures that at least guarantee an equal protection level.

It is important to consult with the health and safety committee and with the company doctor to assess potential health risks, as well as identify measures to mitigate these risks.

- **Business continuity requires clear rules**

For people working from home, it is recommended to have clear arrangements relating to home teleworking, such as regarding working hours, technical support, intervention in costs, location, notification procedures in case of a private accident or illness or a work accident, etc.. This will also help in case a work accident would occur during telework activity. For other employees, companies will need to make sure that appropriate measures are in place to respect the social distancing rules. If it is not possible to respect these rules in the context of how the activity should be performed, the business should take measures that at least guarantee an equal protection level.

- **Restart of business**

The Belgian government has published a generic guide for employers to implement appropriate preventive measures related to health and safety requirements of material, technical and/or organizational nature. These guidelines can be complemented with other guidelines made on sectoral or company level. At company level, the implementation of the preventive measures is carried out through social dialogue with the consultative bodies.

- **Saving (salary) cost is feasible**

It is expected that many companies will face a drop in revenue. These companies may also seek ways to reduce the recurring costs. For personnel related costs, a number of measures can be considered:

- Many employees are eligible for temporary unemployment, depending on the circumstances for 'force majeure' or economic reasons. For both, different formalities and conditions apply. A simplified temporary unemployment scheme specifically for COVID-19 has been introduced and is applicable until 30 June 2020 (can be prolonged). Lots of information is available on the unemployment office's website. During such suspension periods, employees receive unemployment benefits (temporarily increased from 65% to 70% of a capped salary), thus reducing the salary costs for the employer.
- Companies can ask their employees to take up compensatory leave for past overtime and may need employees to stick to planned and agreed holidays.
- Companies should always require a medical certificate when employees claim guaranteed salary. However, many doctors have become more difficult to reach due to the current circumstances; thus, a reasonable approach is appropriate.
- Subject to following mandatory procedures, companies can consider a collective or individual salary reduction or a working timetable reduction if the above measures are not sufficient to cope with the crisis. If needed, dismissals can also be considered with careful consideration of the applicable thresholds for collective dismissal or multiple dismissals.
- It should be noted that social security and tax authorities are willing to accept

payment plans

- **New measures regarding work force management**

With the introduction of the Special Powers Decree no. 14 of 27 April 2020, the government has taken several measures to enable companies in critical sectors to cope with the consequences of COVID-19.

- **Small flexibility**

Allows more working hours than the normal work schedule during peak period. Implementation via CBA or work regulation.

- **Voluntary overtime**

Allows for 220 extra voluntary hours per year for companies in critical sectors during from 1 April 2020 until 30 June 2020.

- **COVID-19 overtime**

Allows for overtime outside normal work schedule and on Sundays and during nights. Overtime is necessary to treat COVID-19 infection or to prevent possible infection.

- **Additional hours for employees in time credit/career break (Royal Decree no. 15**

Return from time credit/career break to work at employer belonging to vital sector (agriculture, forestry,...).

- **Use of posted employees**

Temporary derogation from the prohibition to post workers which allows employers to post its permanent employees to a user belonging to a critical sector during the period from 1 April 2020 to 30 June 2020.

- **Other measures within critical sectors**

- Successive fixed-term contracts for a min. period of 7 days does not entail a contract of indefinite duration;
- Student work (not included in annual quota of 475 hours);
- Employment for asylum seekers;

- **Federal government support measures**

- Exemption from taxation for voluntary overtime (220 hours in critical sectors until 30 June 2020)
- Deferment of payment to NSSO (until 15 December 2020)
- Repayment plan for social security contributions (1st and 2nd quarter 2020)
- Supplement NEO allowance for temporary unemployment ( EUR 5,63/day)
- Telework lump sum allowance: EUR 126,94/m free of social security contributions
- Continuation of group insurance for employees in temporary unemployment (13 March 2020 – 30 September 2020): companies have the right to request (i) deferment of payment of the contributions (ii) cease payment of contributions during period of temporary unemployment.
- Corona parental leave (from 1 May 2020 until 30 June 2020) – Legislation not yet published



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- Municipal councils can provide an administrative sanction in their regulations or ordinances consisting of an **administrative fine of EUR 250 per infringement** by an **individual** of COVID-19 related health- and safety measures.
- **Merchants, operators and organizers of an activity** who do not respect the COVID-19 related health- and safety measures will receive an **administrative fine of EUR 750**.
- **Enterprises** that do not respect the COVID-19 related health- and safety measures will receive an **administrative fine of EUR 1,500**
- The abovementioned administrative fines are **no criminal convictions**. However, in case of recidive, the infringer(s) will be summoned.



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- If hospital admissions continue to decrease, the phasing out of the measures will further develop as follows:
  - As from **8 June 2020**:
    - Possible reopening of restaurants and at a later stage bars;
    - Multi-day travelling inside and outside of Belgium;
    - Youth movement camps and summer internships (decision by the end of May 2020);
    - To be considered whether people can go to their second residence; and
    - Smaller outdoor events (no mass events).
- Other phasing-out measures are expected in the coming weeks.



# Bosnia and Herzegovina

## Federation of Bosnia and Herzegovina

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### General Measures

#### • Movement of citizens

- All citizens are obliged to wear masks and keep social distance of 2 meters on public surfaces and indoor public facilities (Order of the Federal Headquarters for Civil Protection as of 24 April 2020, applicable until 30 May)
- Movement and restraint in the open air of more than one person at a distance of less than 1.5 meters is prohibited

#### • Activities of business entities

- All public gatherings are canceled
- Provision of following services is suspended:
  - Public swimming pools and baths.
  - Services in catering objects of all categories and in hookahs, cafes and bistros, clubs, discos, casinos, sports betting facilities, etc.
  - Work in the retail sector, except for the explicitly listed types of shops, e.g. grocery stores, pharmacies, bakeries, furniture stores etc.
  - The operation of open markets and premises around them, with the exception of open market premises with agro-food products

As of 13 May, provision of services in catering objects is allowed exclusively in open areas (gardens).

#### • Deadlines and procedures in court proceedings during the state of accident in the Federation of Bosnia-Herzegovina

Both houses of the Parliamentary of Federation of BiH have in an emergency procedure adopted the Law on Deadlines and Procedures in Court Proceedings

During the State of Accident in the FBiH (the "Law"), whose publication in the "Official Gazette of FBiH" is expected. The Law enters into force on the day following the day of publication in the "Official Gazette of FBiH".

#### – Litigation, non-contentious and enforcement proceedings

During the state of accident, the following deadlines are suspended: filing a lawsuit, motions for initiating non-contentious procedures or enforcement procedures and other time-bound motions.\*

\*Exceptionally, deadlines in emergency procedures regulated within the Law are not suspended.

#### – Criminal and misdemeanor proceedings

During the state of accident, the following deadlines in criminal and misdemeanor proceedings are suspended: filing an appeal against decisions that terminate the proceeding; extraordinary legal remedies and other procedural actions.\*

\*Exceptionally, deadlines in emergency procedures regulated within the Law are not suspended. In misdemeanor matter, deadlines regulated within Articles 57, 58, 59, 60 and 61 of Law on Misdemeanors are not suspended.

#### – Administrative disputes

During the state of accident, deadlines in administrative disputes that relate to undertaking procedural actions and fulfilling material liabilities are suspended.\*

In administrative disputes, oral hearings will not be held, except in emergency proceedings regulated within the Law.

\*Exceptionally, deadlines in emergency procedures regulated within the Law are not suspended.

#### – Legal remedies

During the state of accident, the following deadlines are suspended: filing ordinary and extraordinary legal remedies, application for restitution or other procedural actions in litigation, non-contentious, enforcement proceedings and administrative disputes regulated within the Law.

#### – Limitation period

Limitation periods, regulated within civil-law regulations, are suspended during the state of accident.

#### – Validity of the Law

The Law applies until the termination of state of accident in the Federation of BiH.

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### Economic Measures

#### • Deadlines for filing tax returns and salary specifications have been extended to 30 April 2020

- Trade margins (calculative prices) are determined for certain products; legal entities and individuals are obliged to determine and apply margins in a manner that they do not exceed the level of margins of products as of 5 March 2020
- Trade margins (calculative prices) are determined for petroleum products; maximum wholesale margin is prescribed in the absolute amount of BAM 0.06 per liter of derivative, while maximum retail margin is prescribed in the absolute amount of BAM 0.25 per liter of derivative
- Decisions of the Federal Banking Agency regulate that **banks and non-depository financial institutions** can approve to clients special measures: a moratorium, a grace period of up to 6 months, granting of an additional amount of exposure to overcome liquidity difficulties
- **Decreasing the lease amount** (i.e. rent) for 50%, for business premises managed by the Office for joint affairs of FBiH authorities and bodies; it is

suggested that, if the pandemic would last longer, payment of rent should be completely suspended as of 1 April 2020 until the state of disaster ceases to exist

#### • Decreasing health contributions for employees who work abroad (i.e. seconded workers) for BAM 10, and decrease of other social security contributions for seconded workers per BAM 10

#### • The Insurance Supervision Agency of FBiH has issued an official notice that **insurance policy is valid even without the signature of the insurance contractor**, as regulated within the Obligations Act of FBiH

#### • Law on Mitigation of Negative Economic Consequences

Both houses of the Parliamentary of Federation of BiH have in an emergency procedure adopted the **Law on Mitigation of Negative Economic Consequences**, whose publication in the "Official Gazette of FBiH" is expected. The following measures are introduced by the law: subsidizing mandatory contributions; cessation of calculation and payment of default interest on public revenues; abolition of the obligation to pay corporate income tax advance payment; abolition of the obligation to pay personal income tax

advance payment, from an independent business activity (i.e. self-employment); suspension of calculation of default interest on late payments, in debtor-creditor relations; suspension of enforced of pecuniary claims; keeping the stability of individual payments; delayed application of regulations; establishment of a Guarantee Fund.

Brief overview of potentially important remarks for business entities:

#### – Right to a subsidy

Business entities are entitled to the subsidy of social security contributions, in the amount prescribed by the Law, starting from the calculation and payment of the gross salary for April, if there is a decrease in entity's turnover of 20% or more in the month for which the payroll is calculated, compared to the realized turnover in the same month in 2019\*. The entity would be entitled to a right to subsidy under the condition that it has settled contributions and personal income tax payables, conclusively with February 2020.

\*Tax Authority of FBiH determines the realized turnover, based on data on recorded turnover in the fiscal system.



# Bosnia and Herzegovina

## Federation of Bosnia and Herzegovina

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### – Request for a subsidy

By the tenth of the current month for the previous one, business entities are obliged to submit to the Tax Authority a request for subsidy, together with tax returns regulated within the personal income tax and contributions' legislation.\*

\*10 days upon the Law enters into force, the Tax Authority of FBiH shall

adopt instructions on the manner of submission of the request and required documents.

### – Abolition of the obligation to pay corporate income tax advance payment

Obligation to pay corporate income tax advance payment is abolished for those business entities that use the subsidy.

### – Validity of the Law

The Law ceases to apply 60 days after the date of the declaration of termination of the state of accident.



## Employment law and social protection measures

### • Series of recommendations

- The Government of FBiH has adopted a series of labor **recommendations**:
  - Implement **special protection measures** to prevent the adverse effects on employees' health, by shortening working hours, if possible due to work process requirement
  - Employers who employ a large number of employees should **reorganize their working hours**, if possible due to work process requirements; labor that is performed in one shift should be split in two shifts, to avoid the concentration of more workers in one place.

- Provide employees with the instructions for **work from home**, if possible due to the nature of work, i.e. work process requirements
- Allow employees to take **annual leave**, as well as to use leave according to the law, collective agreement or labor rulebook
- Allow employees, parents of children under 10 years, **absence from work** to one parent, in case both parents are employed
- **Cancel all business trips**, in the country and abroad, especially business trips of workers with diagnosed chronic diseases.
- Employers are obliged to, pursuant to labor-protection regulations, ensure regular and intensive implementation of **hygiene measures**

- **Cancel meetings** organized for a larger number of participants. Meetings which are necessary to be held, should be organized in as large area as possible, ensuring distance between participants (1 – 2 meters)
- The Federal Ministry of Health has published **Guidelines for Regulation of Temporary Disability for Work** based on which temporary disability for work is medically indicated also for insured individuals, subject to prevention measures from coronavirus spreading (**including e.g. home isolation, health surveillance, isolation, hospitalization, quarantine, etc.**).



## Criminal law measures

### • Criminal Code of the Federation of BiH

#### • Transmission of Contagious Disease

Whoever fails to comply with regulations or ordinances whereby a competent health care body orders **medical examinations, disinfecting, quarantine** or other measures for the suppression or prevention of a contagious disease with people, and where consequently a danger of the spreading of a contagious disease occurs, shall be punished by **imprisonment for a term not exceeding one year.**

#### • Failure to Comply with Sanitary Regulations during an Epidemic

Whoever at the time of an epidemic of a contagious disease fails to comply with ordinances and decisions passed on the basis of regulations of competent body which regulations establish measures for the suppression or prevention of the epidemic, shall be punished by **imprisonment for a term not exceeding one year.**

#### • Employing Persons Suffering from Contagious Disease

Whoever, in a hospital, maternity hospital, boarding school, school, business

enterprise or another legal entity, or with an individual as an entrepreneur, in a business activity in which foodstuffs are handled or that provides cleaning services or in a similar activity, in contravention of sanitary regulations employs or keeps employed a person suffering from a contagious disease, and where consequently a danger of transmission of a contagious disease occurs, shall be punished by **imprisonment for a term not exceeding one year.**



## Next Steps

- Establishment of a **special fund for stabilizing the economy**, with the aim to support business entities affected by spread of coronavirus
- Adoption of Law on Mitigation of Negative Economic Consequences by the Parliament of FBiH

- Preparation of the Draft Law on Amendments to the Labor Law





### General Measures

- The **Decree-Law on time limits and procedure in court proceedings during a state of emergency and the Decree-Law on misdemeanor of causing panic and disorder** are adopted and published in the „Official Gazette of RS“, no. 32/20 as of 6 April 2020
- **Movement of citizens**
  - Movement of all persons from 8 PM to 5 AM, with certain exemptions, as well as moving of persons outside of their residence address/temporary stay address from Saturday 12 AM to Sunday 6 PM, with certain exemptions, as well as the movement of persons of the age of 56 and over, except from 7 AM to 1 PM (Conclusion of the Republican Headquarters for Emergency Situations as of 5 May 2020, applicable until 25 May)
  - Public transport of persons in road traffic on republic bus (routes up to 50 kilometers) is suspended
  - Public gatherings in groups of more than fifty (50) persons in public places is prohibited
- **Activities of business entities**
  - Measures for business entities aiming to prevent the spread of virus disease “COVID-19” are stipulated within the Conclusion and they refer to prohibition of performing activities of numerous categories of business entities until 11 May

2020, and to time limitation of working hours of business entities

- All entities that work directly with citizens are obliged to implement health protection measures – disinfection, wear masks and gloves and secure masks and gloves to their clients

- **Deadlines and procedures in court proceedings during a state of emergency in Republika Srpska**

During the state of emergency, deadlines are suspended for:

- Filing a lawsuit, motions for initiating non-contentious procedures or enforcement procedures and other time-bound motions, except in emergency proceedings
- Filing a motion for prosecution and request for initiation of misdemeanor proceedings
- In criminal and misdemeanor proceedings, except in emergency procedures: filing an appeal against decisions that terminate the proceeding; extraordinary legal remedies and other procedural actions
- Undertaking procedural actions and fulfilling material liabilities in administrative disputes, except in emergency proceedings
- Filing ordinary and extraordinary legal remedies, application for restitution or other procedural actions in litigation, non-contentious, enforcement

proceedings and administrative disputes, except in emergency proceedings

- Statute of limitation, pursuant to civil-law regulations

- **Deadlines and procedures in administrative proceedings and other proceedings regulated within special regulations**

- Parties in administrative proceedings and other proceedings regulated within special regulations shall not deal with the consequences of failing to act within prescribed deadlines
- In cases when it is not possible to secure unimpeded involvement of a party in the proceeding or if the party cannot participate in the proceeding due to objective reasons, following deadlines are suspended (with certain exceptions): undertaking administrative actions; delivery of letters; notification actions; termination of administrative proceedings; filing ordinary and extraordinary legal remedies; deciding upon filed motions
- Deadlines regulated within special regulations regarding the organization of public access and holding public hearings are suspended during the state of emergency, with certain exceptions
- The Decree-Law applies to procedures of determination, payment and control of public revenues of taxpayers only to the extent of filing legal remedies against the first instance decisions and conclusions of the tax authority



### Economic Measures

- The Decree on Price Control (“Official Gazette of the RS”, no. 30/20) which has entered into force on 2 April, regulates **margin limits for all goods and products specified in the Decree; the Decree** stipulates penalty provisions for retailers in the amount up to BAM 10,000 and repeals the previous Decree on Return of Prices to the Previous Level (“Official Gazette of the RS”, no. 25/20)
- Urgent payment of tax and social security contributions **refund**, for increase of salaries in 2019, has begun on 16 March 2010
- **Deadline for filing** annual tax returns has been extended to 30 April 2020, pursuant to Decision as of 20 March 2020
- **Deferral of payment** of corporate income tax and all liabilities under the final account for 2019 is enabled until 30 June 2020, as well as payment in installments until the end of 2020; the Tax Authority of RS has issued an announcement on submitting the statement for deferred payment of tax liability
- **Lump-sum payment of tax** on the total income of small entrepreneurs with one or two employees is **decreased for 60%**
- Pursuant to Decision as of 20 March 2020, all borrowers from IRB-managed funds have been granted a **three-month repayment moratorium**, commencing as of 1 April 2020
- Pursuant to Decision as of 20 March 2020, **banks** can approve to clients special measures: a moratorium at least until the end of extraordinary situation, a

grace period of up to 6 months, granting of an additional amount of exposure to overcome liquidity difficulties; similar decision has been adopted for **microcredit organizations**

- The Government of RS has announced that:
  - Funds raised the **Solidarity Fund** from voluntary payments of public sector employees should be used solely to assist employees in the real sector, affected by extraordinary measures
  - **The Government will pay taxes and social security contributions** to employees of entities directly affected by Government decisions (e.g. catering, retail, small entrepreneurs) under condition that their employers pay out net salary
  - It will actively work on establishing the **Fund for economy aid**, which should be operational in May
- The Ministry of Agriculture, Water Management and Forestry of RS has diverted **BAM 2.2 million** of current IFAD Project loan funds, to encourage agriculture production
- The Ministry of Finance, during the session of Republican Headquarters for Emergency Situations, held on 31 March 2020 announced that it will:
  - **Reconcile taxes and duties for March 2020**, for all employees of companies that have been prohibited to perform their business activities
  - **Secure a minimum wage with taxes and mandatory contributions** for April 2020

- On 10 April 2020, the President of RS has adopted a Decree-**Law on Tax Measures for Mitigation of Economic Consequences** of COVID-19, which:
  - Compiles earlier decisions on deferred filing and payment of tax liabilities;
  - Postpones deadlines for payment of forestry fees, firefighting fees, and certain republic and local taxes;
  - Defers the payment of the first installment of real estate transfer tax;
  - Reduces lump sum of annual personal income tax from BAM 600 to BAM 240;
  - For business entities whose performance of business activities is prohibited, the payment taxes and contributions on net salaries for March, and payment of the minimum salary, taxes and contributions for April from the Solidarity Fund is secured
- The Decree-Law on Solidarity Fund of Republika Srpska („Official Gazette of RS”, no. 37/20) has been adopted on 15 April
- The Decree-Law on Compensation Fund of Republika Srpska („Official Gazette of RS”, no. 46/20) has entered into force on 15 May
- Amendments to the Decree-Law on Tax Measures for Mitigation of Economic Consequences of COVID-19 are adopted; pursuant to the Amendment, subsidy of taxes and duties for May 2020 is secured for business entities whose work is prohibited until 11 May and subsidy of minimum wage with taxes and contributions is secured for entities whose work is prohibited at least until 12 May

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### Employment law and social protection measures

- No special measures or recommendations have been announced in regard to employment law and social protection yet
- Presidency of the Confederation of Trade Unions of RS has **submitted a request to the Ministry of Labor, War Veterans and Disabled Persons' Protection of RS**, to clarify and explain on their official website institutes stipulated within the Labor Law, applicable during the state of emergency



### Criminal law measures

- **Criminal Code of Republika Srpska**
- **Transmission of Contagious Disease**  
Whoever fails to abide by the regulations or ordinances whereby a competent body orders **medical examinations, disinfecting, quarantine** or some other measures for suppressing or preventing contagious diseases in people, and who by doing so causes a contagious disease to be transmitted, shall be punished by a **fine or imprisonment for a term not exceeding two years.**
- **Failure to Comply with Sanitary Regulations during an Epidemic**  
Whoever, at the time of an epidemic of a contagious human disease, fails to abide by the regulations, ordinances and decisions which order measures for its suppression or prevention, shall be punished by a **fine or imprisonment for a term not exceeding two years.**
- **Failure to Apply Measures for Prevention of Contagious Disease**  
Whoever, in a hospital, maternity hospital, boarding school, school, company or another organization or a store handling foodstuffs or providing cleaning services, in contravention of sanitary regulations, fails to apply hygienic measures or employs or keeps employed a person suffering from a contagious disease and who by doing so causes the contagious disease to be transmitted, shall be punished by a **fine or imprisonment for a term not exceeding one year.**



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### General Measures

- **Movement of citizens**

- The organized public gathering and joint movement of more than fifty (50) persons at public places and open and closed public surfaces is prohibited; persons are obliged to implement epidemiological measures, physical distance of 2 meters and wear protective mask and gloves (Order of Brčko District Crisis Headquarters as of 8 May 2020)
- Movement of persons within the area of Brčko district from 9 PM to 5 AM is prohibited (Order of Brčko District Crisis Staff as of 22 March 2020)
- A special Order for drivers of vehicles in international transport has been adopted

- **Activities of business entities**

- Measures for business entities aiming to prevent the spread of virus disease

- “COVID-19” are stipulated within the Order of Brčko District Crisis Staff; they refer to prohibition of performing activities of numerous categories of business entities, and to time limitation of working hours of business entities
- Brčko District Crisis Headquarters has adopted two orders on 27 and 28 April 2020: on plan of measures for permitting performance of business activities of business entities; and on procedure for preventing spread of COVID-19 pandemic in premises of business entities, institutions, public services, etc.
  - Pursuant to the Order dated 8 May, performance of business activities for following entities is allowed starting from 11 May: entities performing catering activities - serving food and beverages exclusively in open areas (gardens) under limited conditions; hairdressers; sale of clothes

- Brčko District Crisis Staff has issued recommendations on the manner of organization of work for numerous categories of business entities



### Economic Measures

- On 18 March 2020, the Decision on Return of Prices to the Previous Level, i.e. to the level as of **5 March 2020**, has been adopted
- **Deadline for filing** tax returns have been extended
- The Government of Brčko District of BiH has adopted the following measures for remediation of economy:
  - All business entities whose performance of business activities has been prohibited, will be entitled to a refund of minimal gross salary (meaning net salary in the amount of BAM 520 plus taxes and social security contributions) for March 2020
  - All other business entities (which are not explicitly exempt, e.g. banks, public institutions, entities that laid off employment contract for at least one employee, etc.) will be entitled to a 30% subsidy on paid taxes and social security contributions for March 2020
- On 6 April 2020, the Department for Economic Development, Sport and Culture of the Government of Brčko District of BiH announced a **Public Call**, for allocation of funds for business entities whose business activities are limited due to pandemic

- On 5 May, the Assembly of Brčko District of BiH has adopted the Law on Mitigation of Negative Economic Consequences

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### Employment law and social protection measures

- No special measures or recommendations have been announced in regard to employment law and social protection yet



### Criminal law measures

- **Criminal Code of Brcko District of BiH**
- **Transmission of Contagious Disease**  
A person who fails to abide by regulations or orders by which the competent body of the health service prescribes check-ups, disinfection, isolation of a patient or some other measures for suppressing or preventing contagious diseases among people and thereby causes the transmitting of a contagious disease, shall be **sentenced to prison up to one year.**
- **Failure to Comply with Sanitary Regulations during an Epidemic**  
A person who during the epidemic of any contagious disease fails to abide by orders or decisions issued on the basis of the competent body's regulations which establish the measures for suppression or prevention of epidemic, shall be **sentenced to prison up to one year.**

- **Hiring Persons Infected with Contagious Disease**  
A person who hires or keeps a person infected with a contagious disease at work, contrary to the health care regulations, thus causing danger of transmitting the contagious disease in a hospital, maternity hospital, public center, school, business enterprise or other legal entity, craft and trade shops or a private business that deals with food products or which renders sanitary services or in a similar business **shall be sentenced to prison up to one year.**



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The COVID measures in Bulgaria are set out in the Measures and Actions during a State of Emergency Act. The act provides for various measures and actions in different areas during the time of the state of emergency and after it and the fundamental ones are listed here. It came into force on 13th March, 2020 with the exception of some provisions which had effect as of the date of the promulgation – 24 March 2020.

On 12.05.2020 the National Assembly adopted the amendment of the Health Act, which also refer to changes in the Measures and Actions during a State of Emergency Act, which is now called the Law on the Measures and Actions during a State of Emergency and for Overcoming the Consequences (the Act) and includes also measures effective within 2 months after the state of emergency period. 13.05.2020 was the last day of the emergency state and on 14.05.2020 the Council of Ministers declared a state of epidemic emergency (SEE), which shall be effective for the period 14.05.2020 – 14.06.2020 (if not prolonged).

The general measures for the two months after the emergency state are the following:

- The servicemen of the armed forces, jointly and/ or in coordination with other authorities, may participate in the implementation of anti-epidemic measures and restrictions under conditions and in order determined by an act of the Council of Ministers.
- The possibility of distance education remains. Currently most of the educational institutions are closed and the courses are carried through on-line.
- In case of unrealized trips due to the epidemic, the tour operator may offer a voucher, but if the consumer does not agree with the offer, the paid amount shall be returned within twelve months after lifting of the emergency state.
- The judicial vacations for 2020 are canceled. The court can hold on-line sessions. The minutes of the meeting will be prepared and published immediately. Such meetings will also be held by the Competition Commission.
- State and local authorities, councils, committees, commissions, including the management or control bodies of funds, accounts, and other non-legal entities, may hold distance meetings, ensuring direct and virtual participation and observing the requirements for a quorum and a personal vote. They may also take decisions in absentia. Minutes of the meeting shall be drawn up.
- Within two months after the lifting of the state of emergency, all announced public sales and introductions into possession against individuals, announced by the state or private bailiffs, shall be suspended, after which they shall be rescheduled, without fees and expenses. At the request of the individual, made before the expiration of this term, the public sales, respectively the introductions into possession shall be rescheduled, without any fees and expenses being due.

The Act extends by one month after the lifting of the state of emergency:

- The terms, which expire during the state of emergency and are related to the exercise of rights or the fulfillment of obligations of individuals and private entities;
- The effect of administrative acts which is restricted by a time-limit and expires during the state of emergency;

- For two months after lifting of the emergency state and in case of late payment by debtors under credit agreements /other forms of financing/ with companies for fast loans and collectors, no interest and penalties for late payment shall be due. Additionally, the obligation cannot be declared early due, the contract cannot be terminated due to non-performance and no property can be seized.

Further, the Minister of Health published orders, which will be valid until the end of the SEE (14.06.2020). They continue the measures and restrictions related to visits to public places, travel, treatment of patients, as well as establish the rules for working in the conditions of coronavirus, but also repeal many of the previous measures. Some of the changes include:

- The visits to gambling clubs, discos, bars and indoor areas of restaurants are banned.
- Shopping malls can work with customers as of 18 May. There is a ban on the territory of the malls to operate entertainment and gaming halls and bars, as well as indoor commercial areas of restaurants and entertainment.
- The parks are now open to everyone and there are no restrictions.
- Keeping a distance of 1.5 m is mandatory for all persons who are not from one family/ household and are in open public places.
- Wearing protective masks, scarves or helmets is mandatory for indoor public places.
- As of 22.05.2020, the collective indoor sports activities, without competitive character and audience are allowed.
- As of May 26, 2020, individual and collective sports activities for children up to 18 years are allowed indoors and outdoors. These activities should also be uncompetitive and without audience.
- Individual indoor and outdoor sports are also allowed, also without competitive character and audience.
- As an additional exception to the ban on holding sports events indoors and outdoors, the visits to the swimming complexes and swimming pools are also allowed, but the operation of the adjacent commercial sites is not allowed.
- Fitness clubs are open as of 18 May, but they can resume their activity with occupancy of no more than 1 person per 4 sq. m. area.
- The resumption of the training process for athletes in the Olympic Training Program for 2021 is allowed only in the designated specialized sports facilities.
- Visits to sports and children's playgrounds, as well as facilities in indoor public places are prohibited.
- It is forbidden to hold mass scientific events (conferences, symposia, etc.) and mass cultural and entertainment indoor events (theaters, concerts, etc.), except for museums, galleries, libraries and cinemas, where the occupancy of places can be up to 30% of the total capacity.
- Apart from the above, it is forbidden to hold any organized events in groups of more than 10 people.
- Kindergartens are open as of 22 May.

- Preschools, schools and higher educational institutions shall hold, as far as possible, student trainings, assessments, etc. from distance by using the means of information and communication technologies.
- Employers are recommended to organize remote work, if their business can afford it. The rest must provide a distance of 1.5 m between the employees, means of protection, as well as disinfect the premises regularly.
- The entry of foreigners into Bulgaria is prohibited until 14.06.2020, regardless of their citizenship, with some exceptions. However, all individuals entering the country must remain under a 14-day quarantine, excluding medical professionals, officials and citizens returning from specific tourist destinations.

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The main economic measures under the Act and in force until 14.07.2020 include:

- The Public Procurement Act will not apply for certain supplies, related to the anti-epidemic measures. At the request of an assignee under public procurement, there is a possibility the performance deadline to be renegotiated, but not more than two months after lifting the emergency state.
- The managing authorities of EU funds will have the right to unilaterally modify grant contracts – both to reduce and to increase the amount of agreed funds.
- In the period 13.03.2020 – 30.06.2020, but for no more than three months, the National Social Security Institute will pay 60% of employees' remunerations for January 2020 to employers whose businesses are critically affected by the epidemic measures and meet certain requirements determined in a decree of the Council of Ministers. The state will also pay the social insurance installments that are at the employer's expense for the compensated 60% of the remuneration.
- The minister of health shall be entitled to restrict the export from the territory of Bulgaria of certain categories of medicinal products. The first of these orders was already adopted – restricting the export of quinine-based products (due to their presumptive therapeutic effect against COVID-19)
- Authorities, that have leased state or municipal property, may adopt decisions to reduce the rent or exempt from payment, in whole or in part, natural and legal persons who have limited or terminated their business activity as a result of the measures.

Financial instruments of the Bulgarian Development Bank (BDB) and the Fund Manager of Financial Instruments in Bulgaria (the Fund of Funds) to help people, companies and municipalities deal with the economic impact of COVID-19:

- Employees on unpaid leave due to the pandemic, who have been employed for the last 6 months prior to the unpaid leave, who do not receive remuneration from other employment relationships and have worked at least five business days in March (if they were released on unpaid leave in March) can take a loan of up to BGN 4,500, without interest and security.
- Such loan may also be taken by self-insured persons who, as a result of the pandemic, have discontinued their activities as self-insured and / or suffer at least a 20% decline in their income and do not receive other remuneration.

12 commercial banks participate in the Bulgarian Development Bank guarantee program for providing these non-interest loans.

- Micro, small and medium-sized enterprises, self-employed, municipalities and public-private partnerships affected by the crisis will be able to apply for various types of financing under favorable conditions.
- Nearly 400 start-ups and fast-growing companies in the fields of innovation, digitalization and technology, with high added value and potential to help the economic recovery will be able to benefit from a financial instrument with a total budget of BGN 150 million.
- Under an EIF mechanism, companies can apply for loans.

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The Act provides numerous measures with respect to protection of employees and socially vulnerable persons.

In the period 13.03.2020 – 30.06.2020, but for no more than three months, the National Social Security Institute will pay 60% of employees' remunerations for January 2020 to insurers/ employers whose businesses are critically affected by the epidemic measures. The state will also pay the social insurance installments that are at the employer's expense for the compensated 60% of the remuneration. The application process is open from 31.03.2020 and can be completed online. It takes place before the Employment Bureau and the funds are paid by the National Social Security Institute.

Basically there are three categories of employers who may benefit from the aid:

- Employers whose enterprise's work (the whole or a part of it) is suspended by virtue of governmental order;
- Employers whose enterprise's work (the whole, a part of it or for some of the employees) is suspended by virtue of an order issued by the employer;

- Employers who have introduced reduced working hours during the state of emergency.

An appendix to the Decree explicitly lists some activities for which compensation may be applied for. All other employers with economic activities that are not covered in the appendix may apply under the condition that they have declared a 20% decrease in sales revenue. Also the employers should meet some additional requirements. As per the Decree employers utilizing this support should pay the full salary and social insurance installments of the employees.

Currently, in order to prevent the spread of the disease to and protect the workers and the business, employers may undertake any of the following measures:

- Issue an order to assign work from home or telework to their workers and employees without their consent.
- Grant up to one-half of the paid annual leave without the consent of their

employees or workers.

- Establish a part-time work for the full-time employees and workers for the whole or part of this term.
- In the event of a state of emergency or SEE, the employer may issue an order to suspend the work of the entire or part of the enterprise or of individual employees for the whole or part of the period. When all or part of the enterprise's operations are suspended by an order of a state authority, the employer is obliged not to admit the employees or workers to their workplaces for the period determined in the order. In such cases, during the period when the work is suspended the employee or worker is entitled to their gross remuneration.
- When the employer or a state authority issues an order to suspend the work of the enterprise, a part of the enterprise or individual employees due to a declared state of emergency or SEE, the employer has the right to grant the paid annual leave to the employee without their consent.

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# Bulgaria

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- When a state of emergency or SEE is declared, the employer is obliged to allow the use of paid annual leave or unpaid leave at the request of certain vulnerable categories of employees.
- Employers are recommended to organize remote work, if their business can afford it. The rest must provide a distance of 1.5 m between the workers, means of protection, as well as disinfect the premises regularly.
- The unpaid leave under the Labor Code for up to 60 working days, used in 2020, is considered work and social security experience.
- For a period of up to 6 months after the lifting of the state of emergency, the Employment Agency shall transfer compensation for certain categories of individuals subject to insurance under the Social Insurance Code, according to criteria and conditions determined by an act of the Council of Ministers.

Social security and social protection measures in force:

- In the event of state of emergency or SEE, personal protective equipment, medical devices, medical and laboratory equipment – state property, may be temporary given for free to medical establishments (the hygienic materials and consumables are donated).
- The requirements for donations for protective equipment, disinfectants and alcohol for the benefit of the Interior Ministry are facilitated.
- Within two months after the lifting of the state of emergency no distraints shall be imposed on the bank accounts of individuals and medical centers, salaries and pensions, no security measures shall be imposed on medical facilities and equipment, as well as no inventory shall be performed of movable property and real estate owned by individuals, except for obligations for alimony, for damages and for claims for employment remuneration.

- The Customs Agency may provide free of charge confiscated and abandoned goods that can be used to protect the life and health of people, and serve medical establishments, kindergartens, schools, etc.

Measures with respect to immigration:

- A foreigner with a permitted long-term residence in the Republic of Bulgaria, whose period of residence expires within three months after the lifting of a declared state of emergency, may submit an application for extension of the stay within three months after the lifting of the state of emergency. This term is not considered a break when the foreigner submits an application for long-term or permanent residence.
- A long-term resident foreigner in Bulgaria whose authorized long-term residence expires within three months after the lifting of a declared state of emergency may enter the territory of the Republic of Bulgaria without a visa up to three months after the lifting of the state of emergency.
- The period of validity of the documents for residence of certain categories of foreigners in Bulgaria, which expire from 13 March 2020 to 31 October 2020, is extended by 6 months.



## Criminal law measures

- Specific sanctions are provided for crimes related to the anti-epidemic measures



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- As of 21 May 2020, there is a total of 2.237 affected patients, 97 patients have deceased and 1.978 patients have been cured.
- Following the more positive epidemic situation in the country, protective measures started to relax and most of them are already totally released. Initial relaxation was performed in three different phases. Shopping centers, kindergartens and primary schools (up to 4th grade) reopened. There is a continuation of laboratory, artistic and clinical exercises in small groups within the university. Inter-county public transport and domestic air traffic reopened as well. Hospitality sector and national parks and parks of nature are opened. Gatherings of up to 40 people is allowed.
- Part of the educational system remains still closed.
- The decision of Croatian Civil Protection Headquarters on limitation of working hours of certain businesses and imposing public behavior restrictions remains applicable only in limited cases (e.g., suspension for dance schools, child workshops and fairs).
- Moving restrictions have also been relaxed – there is no more general restrictions on moving within the county (exceptions may apply) and the borders are reopened – Croatian citizens may exit and enter the country, while the foreign citizens may enter the country only in cases of economic or business reasons or in case of urgent personal reasons. Incoming people are no longer subject to self-isolation requirements.
- All of the abovementioned relaxations are subject to positive epidemiological situation and compliance with the general epidemiological measures (e.g., maintenance of social distance).
- During the last period, the Croatian Bar Association had few initiatives towards the relevant authorities, namely:
  - Initiation of the adoption of the Act on Intervention Measures in the Area of Judicial and Administrative Proceedings. The most important measures proposed include: (i) suspension of the deadlines in judicial and administrative proceedings, (ii) different work modes of courts and other public authorities, and (iii) the suspension of monetary interests' periods in judicial and administrative proceedings
  - Suggestion to the Ministry of Justice to take all measures necessary to secure the technical conditions for holding the hearing and giving evidences at a distance using audiovisual devices
  - Initiation of the adoption of the special legislation facilitating corporate governance of legal entities during the time of epidemic.
- To the best of our knowledge, legislative proposals of the Croatian Bar Associations were not formally discussed so far and consequently were not adopted.
- Courts are reopened and court hearings are being continued.
- Payment of monument annuity has been suspended until 20 May 2020
- Amendments to the Monetary Resources Foreclosure Act aimed at facilitating the position of natural persons to whom part of the income goes to foreclosure in order to more easily bear the negative economic consequences caused by special circumstances. The act provides the temporary suspension of all foreclosures on funds in the account of natural persons and regulates the

deadlock on the interest during the special circumstances.





- A. Granting interest free loans to municipalities, cities and counties, Croatian Health Insurance Fund and Croatian Pension Insurance Institute, up to the amount of personal income tax, surtax and contributions payments which has been deferred and/or payment in instalments was granted;
- B. Reprogramming of existing loan obligations with an introduction of a grace period in repayment of the loan principal. This measure will be available to all beneficiaries of HBOR loans, regardless of whether the loan is approved directly or through commercial banks;
- C. Granting new liquidity loans to economic operators for financing salaries and other basic operating expenses, in cooperation with commercial banks;
- D. Granting guarantees (insurance policies) to commercial banks of exporters and to HBOR under the export guarantee fund with the aim of granting new loans for working capital – liquidity;
- E. Increasing the scope of the export guarantee fund by including the tourism sector with the aim of enabling the issuance of guarantees (insurance policies) for loans to banks and HBOR, for additional liquidity funds to exporters and the tourism sector;
- F. HBOR measure gives a three-month moratorium on all loan related obligations due after 29 FEB 2020. After the end of the moratorium, clients will be able to pay commitment that are due, interest free, in 12 equal monthly installments;
- G. HBOR will approve new liquidity loans to entrepreneurs in cooperation with commercial banks. The loans will be approved at a favorable interest rate and the funds will be used to finance basic operating expenses (the OPEX);
- H. Provide for the possibility of introducing, through the Amendments to the Investment Promotion Act, the extension of deadlines for the implementation of investment projects and the introduction of an additional grace period of three years for preserving jobs;
- I. Intervention purchase of surpluses in livestock and crop production, fruit and vegetables, and other products from potentially endangered industrial and agricultural producers
- J. More favorable terms of ESIF Micro working capital loans of up to EUR 25,000 with faster processing, with a maximum interest rate of 0,5% - 0,75% - % (depending on the development index);
- K. Increasing the rate of HAMAG-BICRO's guarantee from 65% to 80% of the loan principal;
- L. Moratorium on all installments of ESIF (EU) Micro and Small Loans by 31DEC2020;
- M. More favorable terms for ESIF Micro and Small Investment Loans, with a maximum interest rate of 0,5%;
- N. Moratorium on all installments of ESIF (EU) Micro and Small Loans by 31DEC2020;
- O. The possibility of mobilizing part of the budget as a contribution to sectoral intervention grants to entrepreneurs (national grant);
- P. New FI - Micro loan for rural development for working capital of up to EUR 25,000, with a maximum interest rate of 0,5%;
- Q. Loans for liquidity and working capital (salaries and working capital excluding liabilities towards financial institutions) with maturity of up to three years;
- R. Conducting reprogramming by credit institutions to designated clients in an expedited manner without reclassification to default;

- S. New FI - Micro loan for rural development for working capital of up to EUR 25,000, with a maximum interest rate of 0,5%;
- T. Micro and small loans for rural development. Interest rates lowered to 0.1% - 0.25%;
- U. A three-month moratorium on all loan related obligations due after 29FEB2020. After the end of the moratorium, clients will be able to pay commitment that are due, interest free, in 12 equal monthly installments;
- V. Prolongation of term of use, repayment periods and moratorium on repayment of loans / leases guaranteed by the guarantee programs of HAMMAG-BICRO;
- W. Micro and small loans for rural development. Interest rates lowered to 0.1% - 0.25%.
- X. According to the Croatian Banks Union, the commercial banks will adopt internal decision introducing a stand still period, i.e., debtors who fail to pay instalments in a period of three months following April 2020 will not be foreclosed. Additionally, the banks will consider debtors' requests for any payment postponement.

- Based on the decision of the Croatian Financial Services Supervisory Agency (HANFA), the insurance companies operating in Croatia, as well as the Raiffeisen Pension Insurance Company (MOD), are prohibited to use retained earnings for dividend payments all until 30 April 2021 (which date may be prolonged). The prohibition relates to retained earnings from 2019 and previous years. According to HANFA, such decision is aimed to straighten the liquidity of affected companies under the ongoing COVID-19 pandemic, and shall result in an amount of approx. HRK 4 billion staying in Croatia, on the affected companies' balance sheets;

- The Croatian National Bank has modified the means of its supervisory access to the business of credit institutions in order to make it easier for the banks to secure liquidity but still be able to provide payment postponements to affected debtors.

- New Act on Interventional Measures in Foreclosure and Insolvency Proceedings During the Extraordinary Circumstances (being the time period until 1 August 2020, with a possibility of three-months prolongation), provides for the following: (a) temporary terminations of all foreclosure actions, with certain exceptions; (b) wider foreclosure exemptions (e.g., funds received as an aid during the COVID-19 epidemic may not be foreclosure); (c) deadlock on the interest during the special circumstances; and (d) provides that insolvency triggers occurred during the period of extraordinary circumstances shall not result in insolvency, with certain exceptions.

- Special measures proposed for agriculture and tourism sectors

#### • NEW MICRO LOAN FOR RURAL DEVELOPMENT FOR WORKING CAPITAL

- A new instrument for working capital for rural development with an interest rate of 0.5%
- Target group: Micro and small business entities, subject to the conditions prescribed by the EAFRD measures eligible for funding under this instrument
- Amount of loan: From 1,000 euros to 25,000 euros in HRK equivalent at the CNB middle exchange rate on the date of application
- Purpose of the loan: Working capital

- Minimum repayment period: 12 months
- Maximum repayment period: 3 years
- Interest rate: 0.5%
- Request processing fee: 0%
- Grace period: Up to 12 months if the repayment period is at least 2 years
- Collateral: Promissory note, other security instruments risk assessment

#### • COVID-19 LOAN FOR WORKING CAPITAL

- New program to provide additional liquidity to micro, small and medium-sized businesses affected by the COVID-19 pandemic. A prerequisite for entrepreneurs to be able to use this instrument is a 20% decline in revenue in the first quarter, or a forecast in the coming quarters. It is important to note that these funds will not be able to be used to refinance existing loan commitments or to pay off commitments made before 2020
- Target group: Micro, small and medium-sized small business entities
- Loan amount: Up to HRK 750,000.00
- Purpose of the loan: Working capital
- Maximum repayment period: Up to 5 years including grace period
- Interest rate: 0.25%
- Request processing fee: 0%
- Duration: Up to 6 months
- Grace period: Up to 12 months if the repayment period is at least 2 years
- Collateral: Promissory note

#### • - DEADLINES FOR SUBMISSION OF FINANCIAL REPORTS AND ACCOUNTING DOCUMENTATION IN SPECIAL CIRCUMSTANCES

- In Official Gazette 43/2020 Regulations on deadlines for submission of financial reports and accounting documentation in special circumstances is published and the following deadlines are prescribed:
- disclosure of an individual and consolidated non-financial report – within eight months from the balance sheet date,
- submission to the Financial Agency for the public disclosure of:
- individual annual financial reports with the accompanying audit report - within eight months from the last day of the financial year
- consolidated annual financial reports with the accompanying audit report - within ten months from the last day of the financial year
- submission of statement of inactivity – until 30 June of the current year
- submission of financial information for statistical and other purposes - until 30 June of the current year
- reporting of parent company obligation to consolidate financial reports - until 30 June of the current year
- above mentioned deadlines for public disclosure are applicable also to public disclosure of branch offices

#### • MICRO AND SMALL LOANS FOR RURAL DEVELOPMENT

- More favorable interest rates for micro and small loans for rural development
- Interest rates lowered from 0.5 - 1.0% to 0.1% - 0.25%

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## Employment law and social protection measures

- Aid for preserving jobs in coronavirus affected sectors;
- Interim measure of suspension of self-employment and employment grants with aim of securing additional funding for job retention in coronavirus affected sectors;
- Extension of duration of permanent season worker measure;
- Ensuring payment of minimum wages for persons with disabilities with aim of employment retention, and deferral of payment of financial compensation for all employers of the quota for employment of persons with disabilities;
- Deferral of payment of tourist membership fees for business entities and private renters;
- Amount of the aid related to Coronavirus epidemic from the Croatian Employment Agency for preservation of the employment is increased and amounts to HRK 4,000 for April and May 2020;
- Employers which benefit from the aid of the Croatian Employment Agency will be exempt from obligatory contributions related to these salaries;
- All taxpayers whose businesses are suspended or distressed will be completely or partially exempt from payment of public charges which are due during April, May and June 2020;
- Collective Bargaining Agreement for Tourism has been suspended and the employers are not obliged to comply with its provisions during the crisis.

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## Criminal law measures

- According to the Croatian Criminal Act, who fails to comply with measures imposed for preventing spreading of a contagious disease (including COVID-19), may be sanctioned with imprisonment in duration of maximum two years (three years in cases the diseases is transferred to other person).

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- Government of the Republic of Croatia: <https://vlada.gov.hr/coronavirus-protecti-onmeasures/28950#recommendations>
- Ministry of Foreign and European Affairs: <http://www.mvep.hr/en/info-servis/press-releases/coronavirus-control-strengtheningmeasures-for-croatian-and-foreignnationals-entering-the-republic-ofcroatia.32735.html>
- The Government also launched central Internet website covering all COVID-19 developments in Croatia that can be accessed through the following link: <https://www.koronavirus.hr/>
- Further relaxation of general measures are expected in the following days.





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#### • State of Emergency

As of 18 May 2020 the state of emergency has been terminated. As of 18 May the Ministry of Health is in charge of the remaining restrictions.

#### • Restriction of Movement and Gatherings

- As of 19 March, all persons need to be equipped with a face mask or other covering of the nose and mouth while outside of their residence. As of 12 May exception applies to presenters and editors of television and radio programs, if they are alone in the studio, actors and dancers in theatres or during filming and children under seven years staying at nursery school or children's group, students and members of exams committee during education, exams or the provision of consulting services.
- As of 24 April the prohibition on non-business related movement of people throughout the Czech Republic has been lifted.
- As of 24 April it is ordered to stay in publicly accessible places at max. of 10 people, except for household members, occupation, business or other similar activity, attendance at a funeral, and maintain a distance of at least two meters when contacting other persons. Consumption of food and beverages in publicly accessible places is allowed only in cases of absolute necessity.
- With effect from 11 May sports in outdoor sports grounds, parks, nature and other publicly accessible places are permitted subject to following protective measures (e.g. face masks, distance, max. 100 people etc.)
- As of 11 May outdoor training activities of professional athletes with the exclusion of the public and wedding ceremonies without reception of up to 100 people are permitted under specific hygienic conditions.
- As of 11 May church services with a max. of 100 participants are permitted subject to specific hygienic conditions.
- As of 11 May theatrical, musical, cinematographic and other artistic performances, sporting, cultural, religious, dance, traditional and similar events and other gatherings, exhibitions, festivities, pilgrimages, shows, tastings, markets and fairs, educational events, celebrations, namely both public and private, with a participation of max. 100 people are permitted subject to specific hygienic conditions.

#### • Boarder crossing Restrictions

- As of 27 April the ban on departure from the country for Czech citizens has been lifted.
- As of 4 May re-introduction of internal borders with Germany and Austria was prolonged until 13 June. Land borders with Slovakia (13 March) and Poland (15 March) were closed by the governments of respective countries.
- As of 11 May the ban on international air travel, rail travel, coach travel, boat travel and road travel for more than 9 persons has been lifted.
- As of 11 May, the access to the Czech Republic is forbidden for all foreign nationals, with the exception of foreign nationals with permanent residence or temporary residence of over 90 days, foreign nationals whose entry is in the interest of the Czech Republic, one time transit purposes of EU nationals traveling home, cross-border workers, seasonal workers, students, workers of critical infrastructure servicing, for key personnel and for health and social care workers who have been issued a visa since 11 May 2020 and their families, workers in international transport, EU citizens entering the Czech Republic for business purposes for max. 72 hours provided they present negative COVID-19 test not older than 4 days, EU citizens entering the Czech Republic for business purposes or studying at university, provided they present negative COVID-19

test not older than 4 days and at each further crossing of the state border into the Czech Republic, which occurs 14 days after the submission of the certificate of completion of the test with negative result.

- Upon arrival travellers permitted to enter the Czech Republic, who did not present negative COVID-19 test not older than 4 days or their stay in the Czech Republic is longer than 24 hours (in set exceptions 14 days), are obliged to report immediately by telephone or other remote access to regional hygiene office competent according to the place of residence or reported stay, to submit to COVID-19 testing and report the results to the hygiene office within 72 hours.
- As of 1 May all persons entering the Czech Republic who were not ordered 14 quarantine by the regional hygiene office are prohibited from non-business related movement throughout the Czech Republic for the duration of their stay in the Czech Republic or for max. 14 days. This prohibition does not apply to travel in relation to work and business or other similar activity, procurement of basic necessities, provision of childcare, care of animals, trips to medical and social services facilities, journeys for the purpose of settling urgent official matters, journeys back to place of residence, and funerals.
- As of 1 May Czech citizens and foreign nationals with permanent residence or temporary residence of over 90 days, who did not present negative COVID-19 test not older than 4 days or their travel abroad was longer than 24 hours, are obliged to report immediately by telephone or other remote access to regional hygiene office competent according to the place of residence or reported stay, with some exceptions.
- As of 1 May regional hygiene offices are ordered to order the quarantine for 14 days to travellers, who notify entry into the Czech Republic and do not present negative COVID-19 test within 72 hours upon their arrival. In case of traveller's positive COVID-19 test the respective hygiene office is obliged to order isolation to the traveller.
- As of 1 May all persons entering the Czech Republic are obliged to
  - A. Undergo testing for infectious diseases on boarder-crossings, provided symptoms of infectious disease have been identified
  - B. Promptly report by telephone or other remote access, to their general health service provider in the event of any symptoms of an emerging infectious disease (particularly elevated temperature, cough, shortness of breath, indigestion, loss of smell, general weakness, or other symptoms).

#### • Retail

- From Saturday 14 March all shops are closed except for shops selling foodstuffs, sanitary and drugstore goods, pharmacies and dispensaries of medical devices, heating materials and fuels, spectacles and contact lenses, computer and telecommunications technology, consumer electronics and household products, tobacco products, small household pets, pet food and other pet supplies, newspapers and magazines, laundry and dry cleaning services, and sales via the Internet and other remote means.
- As of 7 April hobbymarkets, hardware stores, building and bicycle retailers and bicycle services may be open.
- As of 18 March, all reexports of medicines and medicinal products registered for CZ market to the EU and the export of such outside the EU is forbidden.
- As of 20 April crafts with business premises, farmers markets, car dealerships and car showrooms are allowed to open.
- As of 27 April shops of up to 2 500m<sup>2</sup> with exception of places of business in large shopping centres over 5 000 m<sup>2</sup> without separate entrance from outside

are allowed to be open under strict hygienic measures. Further, weight rooms, fitness centres and gyms without the use of changing rooms and showers, driving schools, libraries, and zoological and botanical gardens with the exception of enclosed pavilions are allowed to be open. The easing of measures does not affect, dining facilities with the exception of sale through a take-out window, or places of business where the service providers come into contact with the surface of the customer's body.

- As of 11 May all business premises in shopping centers, business premises over 5000 m<sup>2</sup>, and restaurants with gardens while serving food only there or through a take-out window (indoor premises remain closed), beauty services, museums, galleries, outdoor premises of castles may be open.

#### • Education

- From 13 March, the personal presence of pupils in primary, secondary and tertiary professional education in schools and educational establishments and in collective forms of teaching and examination in higher education and at events organized by these schools is prohibited.
- As of 20 April senior year university students are allowed to have individual consultations or examination in presence of maximum 15 people, be present for laboratory, experimental or artistic work, especially for the implementation of final theses within the study in a bachelor's, master's or doctoral study program in the presence of a maximum of 15 people, and in clinical and practical teaching and practice. Continuation of education programs remotely is recommended.
- As of 11 May, students in the last year of primary schools can return to schools together with students in the last year of secondary schools and conservatories. Participation is not mandatory and can take place in a group of a maximum of 15 people.





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### • Czech National Bank

- As of 17 March, Czech National Bank (CNB) has reduced the two-week repo rate by 50 basis points to 1.75 %, the Lombard rate to 2.75 % and the discount rate to 0.75 %. From 18 March, delivery repos will be promulgated three times a week (Monday, Wednesday, Friday). CNB has revised the countercyclical capital buffer for exposures located in the Czech Republic to 1.75 %.
- To keep the employment rate, State will provide 100 billion CZK in direct support and 900 billion CZK in indirect in the form of guarantees.
- The government released an additional CZK 3.3 billion in favour of the rural development subsidy program.
- In favour of the Support and Guarantee Farm and Forestry Fund for the Postponement of Loans and Other Measures, the government released an additional CZK 1 billion.

### • Support for self-employed persons

The state will provide self-employed persons unable to perform their business activity in whole or in part as a result of state measures in connection to the pandemic with compensation bonus in the amount of CZK 500 per day for each calendar day in a bonus period (period from 12 March until 8 June).

### • Deferment of Loan Repayment

The parliament approved Act on Deferment of Loan Repayment under which natural and legal persons may request the lending party to defer repayment of their loans, cash borrowings, deferred payments or another similar financial service provided in the territory of the Czech Republic arranged and drawn before 26 March (In the case of mortgages and building savings loan, it is sufficient if the loan is arranged before 26 March 2020) until July (3 months) or October (6 months). The lending party may only assess whether the request includes all the requirements. If it does not, the request will be neither examined nor assessed. It does not, for example, apply to loans with repayments late by more than 30 days, lines of credit (revolving, overdraft, credit cards), and a rent or lease with no obligation of repurchase.

### • Deferment of Payment of Lease

The parliament approved Act on mitigation of SARS CoV-2 effects on apartment tenants under which lessors are prohibited from terminating lease or sublease agreement with tenants who are in arrears with the payment of rent due to lacking sufficient income to pay the rent as a result of imposed measures or impact of the coronavirus crisis in the period from 12 March until the end of the imposed measures. Further the parliament approved also the Act on mitigation of SARS CoV-2 effects on tenant of business premises under which lessors are prohibited from terminating lease agreement with tenants who are in arrears with the payment of rent due to lacking sufficient income to pay rent as a result of imposed measures or impact of the coronavirus crisis in the period from 12 March to 30 June. The rent in both cases must be paid by 31 December.

### • Court proceedings and insolvency

The parliament approved legislation under which, among others:

- application for relief of parties to civil court proceedings, administrative court proceedings, execution proceedings, insolvency proceedings, criminal proceedings, judicial enforcement proceedings or proceedings before the Constitutional Court, who failed to comply with time-limit will be accepted and the relief will be granted provided the party evidences excusable reason, consisting of an obstacle caused by an extraordinary measure which either completely prevented or significantly impeded the party or her/his

representative to uphold the time-limit.

- For the duration of the emergency measures related to coronavirus corporate bodies may adopt their resolutions remotely in written form or with appropriate technical facilities even though the regulation in the founding legal act does not mention this possibility.
- For the duration of the emergency measure, the term of office of those members of the elected body whose term of office should expire during the emergency measure shall be automatically extended for 3 month; this also applies if term of office expires within one month after the end of emergency measures.
- The time-limit for the approval of the financial statements (usually 30 June) of a limited liability company, a joint stock company and a cooperative is extended by three months from the end of the extraordinary measure, but no later than 31 December.
- The obligation of indebted businesses and entrepreneurs to file an insolvency petition, in certain cases provided for by the Insolvency Act is temporarily suspended for 6 month after emergency measure end date (31 December at the latest).
- creditor insolvency petitions filed by a creditor between the date of entry into force of the Act (24 April) and 31 August shall not be taken into account.

### • Support for small limited liability companies

The state will provide compensation bonus of CZK 500 per day for each calendar day in a bonus period (period from 12 March until 8 June) to shareholders of two-member LLCs and family businesses with minimum provable turnover of CZK 180,000 in 2019 or expected turnover in 2020 or 2021 in such amount. The company must also be a tax resident of the Czech Republic, the European Union or the European Economic Area. The applicant himself must then be an active shareholder of the company as of 12 March 2020.

### • Support for SME

The government provides state guarantee to small and medium-sized enterprises through the Czech-Moravian Guarantee and Development Bank on loans from commercial banks. The government expects such loans to total CZK 600 billion.



## Employment law and social protection measures

### • Social protection

- The state will help self-employed persons, who are taking care of a child from 6 to 13 years of age and are not able to go to work due to the coronavirus, by 424 CZK per day. The government increased the support to 500 CZK per day. Higher support will be paid out already for April.
- All self-employed, who have income only from their business, will be given a six-month holiday in the payment of health and social insurance. Holidays cover the amount of the minimum insurance premium, i.e. 4986 CZK.

### • Employment support programme (cost compensation)

- The government approved employment support programme with 2 directly applicable schemes (A, B) - compensation will be paid by Employment Office
  - A. In the event that employees are ordered to quarantine; workers cannot be allocated work due to government emergency measures
  - B. Employers where at least 30% of employees cannot work because of

obstacles to work; employers that are under-sourced due to government measures and companies that are confronted with a reduction in demand for services or products as a result of a pandemic measure can apply for support

The government prolonged the program until the end of May.

- A bill to mitigate the impact of the coronavirus epidemic in the area of protection of employees in case of the insolvency of the employer has been adopted. Thanks to this bill, the employees of the insolvent employer will be satisfied by partial wage claims from the Labour Office of the Czech Republic.

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## Criminal law measures

### • Criminalisation of spread of COVID-19

As of 13 March the SARS-CoV-2 coronavirus has been added to the list of contagious human diseases, contagious animal diseases, contagious plant diseases, and pest crops the deliberate spread of which is punishable crime.

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### • Easing of the restrictions

- The government approved a schedule for the release of business and other activities which was subsequently accelerated as of 24 April. The schedule covers 5 phases. Phase 1 came into effect on 20 April. Phase 2 is effective as of 27 April. On 30 April the government further accelerated the release of business and other activities and shortened the timeline to 4 Phases. Phase 3 came into effect on 11 May. The final Phase – Phase 4 will come into effect on 25 May. Under Phase 4 indoor premises of restaurants buffets, pubs, coffee shops, wine bars, hotels, outdoor campsites and other accommodation facilities, indoor

premises of castles, palaces, zoological, botanical, dendrological gardens will open. Taxi services (not yet permitted), health events for children up to 15 years of age, services disturbing the integrity of human skin (tattoos, piercing) will be permitted.

- As of 25 May, wearing of protective masks will be mandatory only in the interiors of buildings other than the place of residence and in public transport.





## General Measures

### State of Emergency was declared on 16 March 2020

- Government, in cooperation with the President, declared a state of emergency in Finland over coronavirus outbreak and decided on additional measures to address the coronavirus outbreak.
- The aim of the measures is to protect the population and to safeguard the functioning of society and the economy.
- The Government and the competent authorities will implement the decisions and recommendations in accordance with the Emergency Powers Act, the Communicable Diseases Act and other legislation.
- The competent authorities will issue further instructions in accordance with their responsibilities.

### Health and Safety

- The Ministry for Foreign Affairs advises to avoid all travel abroad until further notice.
- Finland's borders have been closed and passenger traffic to Finland has been suspended. Finnish citizens and persons residing in Finland are allowed to return to Finland.
- Only the most essential work-related travel across the northern and western border is allowed.
- Cross-border traffic across the Schengen internal borders is allowed for employment or commission-related commuting and other essential traffic.
- The Ministry of the Interior will draft more specific guidelines on the gradual opening of border traffic. Finland considers it important that the lifting of the restrictions on border traffic be coordinated at the EU level.
- Finnish missions abroad do not accept any new visa or residence permit

applications at the moment.

- Travelers returning to Finland from abroad should stay at home in quarantine-like conditions for 14 days.
- The Ministry for Foreign Affairs is working to arrange return options for those staying in the areas where commercial flights are no longer possible.
- No gatherings of more than ten people are allowed until 1 June 2020. After that, the restriction on gatherings of more than ten persons will be changed into a restriction on gatherings of more than 50 persons. Citizens should keep a space of 1.5-2 meters between themselves and other people and to avoid any crowded places and having close contact with other people, where possible.
- Public events and gatherings of more than 500 people continue to be banned until at least 31 July 2020.
- From 14 May onwards early childhood education and comprehensive school will return to contact teaching. Restrictions concerning general upper secondary schools, vocational schools and higher education institutions and liberal adult education will be lifted but distance teaching is recommended until the end of the semester.
- Public transportation is operating on reduced schedules.
- Restaurants are closed and only take-out service is allowed. Gradual opening of restaurants can be started under certain conditions from 1 June. The conditions will be confirmed as the legislative changes enter into force. The Government plans to actively monitor the situation and modify the restrictions if the epidemiological situation changes.
- Shops are operating normal hours as much as possible.

- State and municipal museums, theatres, the Finnish National Opera and Ballet, the Finnish National Gallery, the Finnish National Theatre, cultural venues, libraries, mobile libraries, services for customers and researchers at the National Archives, organizations' meeting rooms, day activities for the elderly, rehabilitative work facilities and workshops are closed. Public indoor premises will be opened in a controlled manner starting from 1 June.
- There is no general business closure imposed and fitness centers, hair salons etc. can operate as normally as possible, but are advised to follow health and safety regulations.
- All the hospital appointments that do not require in-person appointment have been replaced by remote appointments.
- Testing for coronavirus: in general, individuals should first contact their local health center to be assessed if they meet the criteria for being tested. The goal is to increase the amount of tests in the near future and the test should be available for all patients with coronavirus related symptoms.
- There have been increases to social welfare and health care capacity.
- All the risk groups (elderly over 70 years of age and those with underlying conditions such as diabetes, high blood pressure and cardiovascular disease) should stay at home and refrain from contact with other people as far as possible. Spending time outdoors is allowed as long as you social contact is avoided. Visits to housing service units for elderly and other risk groups are prohibited, as are visits to care facilities, health care units and hospitals (with certain exceptions).
- Everyone who can work from home is advised to work from home.

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## Economic Measures

### Government issues an economic package to support businesses

- The Government has prepared a package of approximately EUR 15 billion to support companies and to alleviate the negative effects of the coronavirus epidemic. In the administrative sector of the Ministry of Economic Affairs and Employment, business financing is provided by Finnvera, Business Finland, ELY Centers and Finnish Industry Investment.
- The Government agreed on additional domestic financing of EUR 10 billion available to businesses, primarily in the form of Finnvera guarantees.
- In addition, the state will increase its coverage of Finnvera's credit and guarantee losses from 50% to 80%, enabling Finnvera to take bigger risks in the current conditions of economic uncertainty.
- The SME Guarantee can be used to cover a loan of maximum 150k euros. This guarantee is for companies which have been in operation for more than three years.
- Finnvera's SME Guarantee, which does not require a countersecurity, can now, as an exception, be used for working capital needs in addition to financing investment.
- Companies are advised to first contact their bank regarding flexible repayment and other arrangements involving financing already provided. Finnvera may grant a guarantee, if needed.
- Business Finland's grant authorizations will be increased by EUR 150 million to permit immediate business support measures.
- Business Finland launched two new financial services to mitigate the economic impact of the coronavirus epidemic. These services are intended for SMEs and midcaps operating in Finland whose business is suffering from the coronavirus situation.
- ELY Centers' grant authorizations for business development projects will be increased

by EUR 50 million.

- The Government may grant a state guarantee of up to EUR 600 million to support Finnair's (a partially state owned airline company) financing needs. Parliament has approved the guarantee arrangement.
- On the 13th of May the Government decided to introduce a new form of support to businesses in all industries to cover their costs. The support is intended for companies that have experienced a marked decrease in turnover due to the coronavirus epidemic, and have costs that are difficult to adjust. Support is allocated to companies and sectors most severely affected by the coronavirus. The support can be granted for two months, but the extent and details will clarify as the legislation process advances.
- Very recently, The Government has agreed on a model to support restaurants in employing workers and to compensate for costs that companies have not been able to find ways to adapt to due to the changes caused by the statutory restrictions.
- The model prepared by the Ministry of Economic Affairs and Employment consists of two complementary elements: support for re-employment and compensation for imposed restrictions on activities. The amount of support and compensation depends on the company. The size of restaurants and the scope of business in the sector vary greatly.
- The Government has also proposed a state guarantee programme for shipping companies, the aim being is to secure the liquidity and working capital needs of cargo traffic companies that are critical for security of supply. The maximum coverage of the state guarantees is EUR 600 million in capital.

### Other economical measures

- The Tax Administration eases the tax payment arrangements for businesses, and the parliament has accepted a lower interest rate (4 %, down from the normal 7%) on the late payment of taxes that are covered by a payment arrangement. These will be temporary changes lasting until the end of August 2020.
- Due to the current exceptional circumstances, the Tax Administration is giving corporate entities and benefits under joint administration more time to file their tax returns. The tax return can now be filed within five months from the end of the accounting period.
- The government has decided to prepare a proposal for Parliament on the re-lending of value-added tax to businesses in early 2020. The condition is that the reimbursed and deferred VAT would be paid back to the State over a period of two years. The interest rate for the loan is planned to be set at 3 percent.
- The State Pension Fund is increasing its investment in the commercial paper market, specifically in commercial paper of Finnish corporations. The investment in commercial paper will be increased to a maximum of EUR 1 billion, depending on the market situation.
- The Bank of Finland has also announced a purchase programme of EUR 1 billion for commercial paper.
- The Board of the Financial Supervisory Authority has eased the discretionary additional capital and liquidity coverage ratio requirements for Finnish banks. It is estimated that the decision will increase the banks' lending capacity by up to EUR 52 billion.
- Payment of pension insurance contributions is postponed by three months. The Government is also proposing that employers' pension insurance contributions be reduced temporarily by 2.6 percentage points in 2020.

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- Tesi (Finnish Industry Investment Ltd) is a state-owned investment company specializing in the venture capital and private equity market. It is launching a funding programme to ensure that medium-sized companies that have run into temporary difficulties due to the coronavirus epidemic will be able to stay in business.
- The local Accounting Standards Board (KILA) granted a voluntary exemption to extend the preparation of the financial statements due to exceptional circumstances caused by

the spread of the coronavirus. Normally, the financial statements should be prepared and signed by the Board of Directors within four months of the end of the financial year. Due to the exceptional circumstances, it is now possible to deviate from the four-month time limit if certain conditions apply.

- New legislation has been accepted that allows Annual General Meetings to be held exceptionally remotely or postponed until the end of September 2020, if certain conditions apply.

- Amended legislation regarding the restricted right of a creditor to petition for bankruptcy has been accepted. Insolvency must last for a longer time in order for a company to be declared bankrupt. For most companies, insolvency resulting from the coronavirus epidemic is not permanent.
- The Enforcement Code was also recently amended: the goal is to ease the situation of the debtor.



## Employment law and social protection measures

- To help businesses adapt to the current conditions, the notification period required before lay-offs can be made is temporarily shortened, and so too is the duration of the statutory codetermination procedure (cooperation negotiations). These legislative amendments are in force from 1 April to 30 June 2020. The employer must notify the affected employees of a lay-off no later than five days before the lay-off begins.
- Employers may now lay off employees who are on a fixed-term contract under the same conditions as laying off employees with open-ended contracts.
- It is now also possible for an employer to terminate an employee's contract on financial or production-related grounds during the person's trial period.
- The obligation to re-employ an employee is extended, however: the employer is obligated, for a period of nine months, to re-employ those employees who were dismissed for financial or production-related reasons between 1 April and 30 June.
- As a temporary measure, self-employed persons are also entitled to labor market support on the grounds of sudden and unforeseen decline in the demand due to the

coronavirus epidemic. Labour market support is one form of unemployment benefits.

- If an employee has been quarantined under the Communicable Diseases Act, he or she is entitled to a 100% daily allowance for the duration of the quarantine.
- Obligation to work in the healthcare sector: under the Emergency Powers Act, the employment authority (TE office) has the power to issue an order to work to a person covered by the obligation to work. A person who is covered by the obligation to work in the healthcare sector and has been issued with an order to work must carry out necessary work in the healthcare sector. A work order may be issued for a maximum of two weeks at a time, and it may be renewed once.
- As a rule, the obligation to work in the healthcare sector applies to healthcare professionals and medical, pharmacy and healthcare students who have progressed far enough in their studies.
- Due to the coronavirus epidemic, temporary changes have been made to the unemployment coverage relaxing the eligibility requirements and improving the level

of benefits.

- The five-day waiting period has been abolished. Unemployment benefits will be available from the first day of unemployment. The normal five-day waiting period will be applied again as of 7 July 2020.
- Days on which someone is laid off temporarily do not count against their maximum eligibility for unemployment allowance. The change applies to those who were laid off on or after 16 March 2020. Unemployment allowance paid between 16 March and 30 June 2020 will not count towards the maximum period of eligibility.
- The work requirement for qualifying for unemployment allowance has been reduced temporarily from 26 weeks to 13 weeks and from 52 weeks to 26 weeks for non-owning family members of self-employed persons. The reduced work requirement is applied starting from 16 March 2020. It applies to persons with at least one week that counts towards the work requirement starting from 1 March 2020. The change will be effective until 6 July 2020.



## Criminal law measures

### Police operations and activities

- The police can collect a person ordered to quarantine from their home, bring them to the quarantine premises, or arrest a person that has left quarantine.
- The police can also seclude areas and restrict people's movements, if such measures are deemed necessary to prevent the spreading of an infectious disease.
- The police have the right to isolate, close or empty a commonly used space or area or prohibit and restrict movement if this is necessary for maintaining public order and safety.

- According to the Criminal Code of Finland, Chapter 44, Section 2(2), the health protection offender is sentenced with a fine or imprisoned for a maximum of three months, if they intentionally or carelessly violate the decision regarding the obligation to prevent the spreading of an infectious disease for general or individual cases.
- When the Finnish Government makes decisions regarding the coronavirus situation, the police are prepared to handle the orders within their powers.

**Adaptions in court proceedings and the penitentiary system**

- At the moment, the primary modes of contacting the judicial authorities are the telephone, email and electronic services.

- Courts may have to postpone hearings and cancel some already scheduled hearings. These changes in the operating environment may unfortunately lengthen the duration of consideration.
- The enforcement service continues to serve its clients normally. Most enforcement matters can already be dealt with in the e-services.
- The offices of legal aid and public guardianship are open regardless of the Corona virus weekdays during business hours.
- The penitentiary system is to function as normally as possible, some local restrictions may apply.



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- Recently, the Government decided on plan for hybrid strategy to manage coronavirus crisis and for gradual lifting of restrictions.
- The aim of the hybrid strategy is to curb the epidemic effectively while minimizing the detrimental impact on people, businesses, society and the exercise of fundamental rights.
- In Finland, the growth of the coronavirus epidemic has been halted through restrictive

measures and a clear improvement in hygiene behavior. Although the spread of the epidemic has currently stalled, there is still a risk that it will escalate again.

- The Government monitors the situation continuously, as the Emergency Powers Act does not allow any measures to be unnecessarily in force.
- The hybrid strategy focuses extensively on a "test, trace, isolate and treat" approach,

alongside the controlled dismantling of restrictive measures. This will help curbing the spread of the epidemic. The approach can be further enhanced using a mobile application, with the precondition that it must be voluntary and ensure data protection.

- The newest updated information can be found on the website of Finnish institute for health and welfare: <https://thl.fi/en/web/infectious-diseases/what-s-new/coronavirus-covid-19-latest-updates>.

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## General Measures

### • State of emergency

Adoption of the sanitary crisis state of emergency that grants special powers to the Prime minister and the Health minister to take all necessary and proportioned measures to fight against the spread of the pandemic.

The same law grants the government the right to adopt a set of measures, mainly regarding economics and social issues, to adapt the law to the present conditions (legislation by way of ordinance).

The state of emergency was extended to July 10th, and lock down measures (confinement) have ended and replaced by gradual and regionally adapted restriction measures.

### • Restricted traffic and containment (social distancing measures)

– Since the end of the lock down, restrictions are being eased and adapted locally.

- Traveling is restricted to 100 km radius from place of residence, unless justified by work related necessity, family justifications, and medical related meetings.
- Mask wearing is mandatory in public transportation.
- Gatherings of more than 10 are prohibited and a minimum distance of 1 m should be observed when in contact with other persons.

### • Border controls

On 17 March, the European Union decided to close Europe's external borders for thirty days. France is therefore prohibiting access to French territory to all foreign nationals from countries that are not members of the European Union, the Schengen area or the United Kingdom who have no imperative reason to travel to Europe and France.

Specific requirements have been put into place for those that have an "imperative

reason" to travel : a certificate explaining the reason has to be produced, it is an auto declaration

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## Economic Measures

### • Corporate law

Following the publication of the state of emergency law n°2020-290 dated 23 March 2020, three ordinance were published on 25 March 2020, and a set of application regulations have since then been adopted :

- Ordinance n°2020-321 facilitates the deliberations of the shareholders and the corporate governance bodies and globally allows to have meetings to be held between 12 March 2020 and 31 July 2020 deliberate (i) by written consultation or (ii) by means of videoconference or telecommunication;
- Ordinance n°2020-318 extends by 3 month the deadlines for (i) the establishment of the entities' annual accounts ended between 31 December 2019 and 24 June 2020 and (ii) the approval of these annual accounts by the shareholders meetings (e.g. for companies closing their FY on 31 dec., the FY19 accounts will have to be approved before 30 Sept. 2020);
- Ordinance n°2020-306 extends the deadlines for any "act, recourse, legal claim, formality, registration, declaration, notification or publication" if those acts are legally required and must be completed between 12 March 2020 and 24 June 2020 (subject to extension) by an extra 2 months. This extension does not impact the timeframes of reorganization (e.g. mergers, etc.). In principal, performance duties and time limits provided for in contracts are not affected, national law being applicable to specific circumstances (force majeure etc) will apply. However, contractual sanctions of non-performance from debtor (penalty clause, termination clause etc) are deemed ineffective within the state of emergency period, and will only enter into force after a period of one month following the end of the state of emergency period, if the obligation has not been performed by that time.
- State backed bank loans to firms have been set up. For large corporations (over 1,5 billion turn-over, + 5000 employees) this requires a commitment by the firm to not distribute dividends in 2020.

### • Contract law

The French government adopted several measures to deal with the coronavirus crisis.

Several orders have a direct impact on commercial agreements. Please find below the main measures:

- Order n°2020-306 dated 25 March 2020 freezes the effect of the penalty and termination clauses of the commercial agreements until 2 months after the end of the state of health emergency (currently, such state of health emergency ends on 24 May 2020 but this date may be modified);
- Order n°2020-315 dated 25 March 2020 provides that, in case of termination of travel contracts, the professional may propose a voucher and postpone the travel (a specific procedure is provided);
- Order n°2020-316 dated 25 March 2020 provides a suspension of the payment under the energy contracts (gas, electricity, water) entered into by small companies ("microentreprises") until the end of the state of health emergency (currently, such state of health emergency ends on 24 May 2020 but this date may be modified). The Order °2020-316 also provides a suspension of the payment of the rents (lease related to their premises) for the same professionals until 2 months after the end of the state of health emergency.

### • Insolvency Law

#### • Order N°2020-341 of 27/03/2020 adapting the rules relating to the difficulties of enterprises and agricultural holdings to the health emergency

#### • Circular no. CIV/03/20 presenting articles 1, 2, 3 and 5 of 30 March 2020 of the Directorate of Civil Affairs and Seal

#### • Petition for bankruptcy (date of the insolvency situation)

- Until August 24th, 2020:
  - Principle: the insolvency situation is assessed taking into account the situation of the debtor on March 12th, 2020: this means that during the period from March 12th to August 24th, 2020, no French company can be considered as being in a state of cessation of payments (legally insolvent)
  - Exception: in the event of fraud, the court may set a later date of cessation of payments

– It is not, however, prohibited for the bodies of the proceedings to request that it be set at an earlier date in accordance with the legal provisions

#### • Conciliation proceedings (amicable and confidential)

- Its legal duration (4 months + 1) shall be extended up to August 24th, 2020
- The automatic termination of the conciliator's mission in the absence of a request for the acknowledgment or the Court approval of the conciliation agreement within the legal time limit is not applicable until August 24th, 2020
- The three-month waiting period which prohibits the opening of new conciliation proceedings does not apply

#### • Conciliation proceedings for agricultural or maritime businesses

- A deterioration of the situation after March 12th, 2020 cannot be taken into account by the President of the Court to refuse opening the conciliation.
- The date of March 12th, 2020 must be considered to determine whether the conciliation agreement reached was such as to put an end to the insolvency situation.

#### • Duration of reorganization and safeguard plans

#### • An automatic extension is planned until August 24th, 2020.

• Until August 24th, 2020, their duration may be extended for a period of 5 months (i.e. no later than January 24th, 2021) at the request of the Court appointed receiver in charge for the execution of the plan. An extension of up to 1 year may be granted at the request of the Public Prosecutor (i.e. no later than August 24th, 2021).

• Until February 24th, 2021, the Public Prosecutor or the Court appointed receiver in charge for the execution of the plan may request the Court to extend the duration of the current plan for a maximum of 1 year (i.e. no later than February 24th, 2022)

• These extensions will justify, if necessary, a rescheduling of the deadlines provided for in the plan due after the date of the decision or after March 12th, 2020.

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## Procedural deadlines and rules

### • Until June 24th, 2020 :

- The period of 2 months within which the Court must rule on the continuation of the observation period shall not apply;
- The delivery of documents relating to the seizure of the court by the debtor may be done by any means;
- The debtor may include in these documents all pleas and claims even for oral proceedings;
- The President of the Court may receive the observations of the applicant by any means within its fields of competence;
- Possibility of holding a court hearing without the presence of the debtor applying for the commencement of bankruptcy proceedings;
- Communication by all means between the Court Registry and the bodies of the proceedings.

**Until August 24th, 2020**, the time-limits imposed on the bodies of the proceedings may be extended for a period of 5 months by the President of the Court, acting on an request filed by the persons concerned.

### Extension until January 24th, 2021:

- The durations relating to the observation period;

- The plan;
- The continuity of activity,
- The simplified judicial liquidation;
- The periods of coverage by the Wage National Fund (AGS) in the event of termination of the employment contract following
  - the opening of the judicial liquidation or the extension of the exceptional continuation of activity authorized within judicial liquidation proceedings (the initial period is 15 or 21 days),
  - the court approval of a transfer of assets plan (the initial period is 1 month),
  - the court approval of the reorganization plan or the safeguard plan;

### • Submission of claims for payment of wage claims to the AGS: faster handling

- Statements of wage claims are transmitted as soon as possible by the court appointed creditors' representative to the AGS without having to wait for their approval by the bankruptcy judge or their submission to the employees' representative.

### • Order No. 2020-306 of 25 March 2020 on the extension of time limits during the period of health emergency and the adaptation of procedures during the same period

- This order provides for the extension of the time limits which have expired or which

- expires between March 12th, 2020 and June 24th, 2020
- Acts prescribed by law or regulation and which had to be carried out within that period may be carried out until August 24th, 2020.
- A number of time limits relating to insolvency proceedings are therefore affected by this provision in particular:
  - The 2 months period (4 months for foreign creditors) for lodging a claim (receivable against the debtor)
  - The 3 month period for claiming ownership and return of assets

### • Order No. 2020-304 of 25 March 2020 adapting the rules applicable to courts of law ruling in non-criminal matters

- The order allows hearings in bankruptcy proceedings to be held by a single judge
- The order allows all court hearings to be held by means of audiovisual communication and, where appropriate, by any electronic means of communication.
- It does not dispense with compliance with the obligations of consultation by these same means



## Employment law and social protection measures

### • Part-time unemployment

Legal recourse: Part-time unemployment is a compensation scheme companies may resort to under extraordinary circumstances (e.g. an epidemic) (Article R. 5122-1 of the French Labor Code), it being specified that part-time activity is a collective measure.

The purpose of the part-time unemployment scheme is either (i) to collectively reduce the number of working hours normally performed at the establishment to below the statutory working time or (ii) to temporarily close an establishment (or part of an establishment).

The implementation of a part-time unemployment scheme must be authorized by the French administration. Due to the current circumstances linked to the Covid-19, employers may implement a part-time unemployment system and submit a request for retroactive authorization to the administration within 30 days of implementation. The administration must reply to the request within 2 days as from the fulfillment of the request, it being specified that silence is taken to signal tacit acceptance.

The employees are entitled to a special allowance paid by their employer for any unworked hours, and the latter is reimbursed by the State. Any hours worked (in the case of reduced activity) must be paid at the normal rate.

Consequences for the contract of employment: The employment contract of the employees concerned is suspended during the unworked hours, but not terminated. Part-time unemployment is mandatory for the employees concerned (i.e. their consent is not required, even if they enjoy protected status as staff representatives or union delegates).

Employees' financial compensation: The amount of the compensatory allowance paid by the employer to the employees must correspond to a minimum of 70% of their previous gross monthly basic compensation calculated on the basis of the legal working time (i.e. 35 hours/week). This allowance may however be increased at the employer's discretion (e.g. up to 100 % of the previous gross monthly basic salary). In such a case, the part-time activity allowance paid to the employee constitutes an income substitution benefit. As such, it is not subject to social security contributions; it is subject to the CSG and the

CRDS at the rate of 6.70% after a 1.75% rebate. Lastly, the amount of the compensatory allowance is of a minimum of €8.03/ hours. The maximum number of hours that may be compensated is 1607.

Employer's financial compensation: To compensate for the payment of the allowance, the employer receives a lump-sum allocation financed jointly by the State and the Unedic (French Unemployment Insurance Fund). This lump-sum corresponds to 70% of up to 4.5 times the minimum legal wage in France ("SMIC").

Duration of the part-time unemployment system: The authorization granted by the French authorities is set at a maximum of 12 months renewable.

### • Medical Leave

Beneficiaries: Employees placed on medical leave in the context of the Covid-19 epidemic, in particular (i) those who are subject to quarantine, eviction or home care measures and (ii) those who have children under the age of 16 who are themselves subject to such measures, and who are, for any of the foregoing reasons, unable to continue working (even in teleworking).

Conditions: For employees forced to look after their children, the medical leave declaration process has been simplified. The employer is responsible for filing a medical leave declaration on behalf of its employees on a dedicated web portal (declare.ameli.fr). This declaration serves as notice of leave and replaces the medical leave certificate issued by a healthcare professional. The leave is granted, without any waiting period or entitlement conditions, for a term of 1 to 21 days, renewable.

For all employees placed on medical leave, the waiting period is waived with respect to both the payment of daily social security benefits and any additional allowance paid by the employer (Decree no. 2020-73 of 31 January 2020, Decree no. 2020-193 of 4 March 2020, Decree no. 2020-227 of 9 March 2020, Ordinance no. 2020-322 of 25 March 2020).

In addition, with respect to any additional allowance paid by the employer, salary maintenance is no longer subject to providing justification for the medical leave within 48 hours, or to the principle of territoriality or seniority requirements (Ordinance no. 2020-322 of 25 March 2020).

Benefits: The daily social security benefits ("IJSS") amount to 50 % of the gross daily salary, it being specified that salary is taken into account up to 1.8 times the monthly minimum wage, i.e. €2,770.96 (gross) (based on the minimum wage as at 1 January 2020). For parents with at least 3 child dependents, the daily benefit is increased as of the 31st day of continuous medical leave. It then rises to 66.66 % of the daily gross basic salary. The local sickness insurance fund pays a maximum of 360 IJSS per period of 3 consecutive years.

Pursuant to French law, salary maintenance by the employer is possible up to 90 % of the gross monthly salary for the first 30 days of leave and, for the following 30 to 90 days of leave, the percentage of salary drops to 2/3 (i.e. 66.66 %).

Compensation periods are legally extended by ten days for every period of five full years of service, each of these periods being capped at 90 days.

It being specified, the applicable collective bargaining agreement may contain more favorable provisions (such as, e.g., full salary maintenance).

### • Teleworking

Teleworking consists, theoretically, in regularly working a certain number of hours per week off of company premises and relying on information and communication technology (TIC).

In the private sector, teleworking is implemented by collective agreement or a policy developed by the employer after seeking the opinion of the Social and Economic Committee ("CSE") (if any). In the absence of a policy or a collective agreement, where

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the employee and employer agree to resort to teleworking, they are required to formalize this agreement by any means.

However, in exceptional circumstances (in particular with the current Covid-19 epidemic), teleworking may be imposed without the employees' agreement (Labour Code, Article L.1222-11). For sake of prudence, it remains preferable that employees be informed of the implementation of teleworking by any means (e.g. by e-mail).

Even where it is temporary in nature such as the Covid-19, the implementation of teleworking may constitute a significant reorganization of working conditions requiring that the CSE be consulted (Labour Code, Article L. 2312-8).

## • Will the employer be entitled to impose or reschedule days of paid leave/ compensatory rest ?

According to Ordinance n°2020-323 of 25 March 2020, the following measures were set out:

### – Concerning paid leave:

A company-wide or industry-wide agreement may determine the conditions under which the employer is authorized to impose days of paid leave acquired or to change the dates of previously scheduled leave, within the limit of 6 working days

and subject to prior notice of 1 clear day.

The agreement may authorize the employer to split up the days of leave without having to obtain the employee's consent.

### – Concerning compensatory rest days ("JRTT"):

The employer may unilaterally impose or reschedule compensatory rest days (up to a maximum of 10), without having to enter into a company-wide or industry-wide agreement and subject to prior notice of 1 clear day.

## • Deferral of payroll tax

The Urssaf has set up an exceptional system to help companies facing serious cashflow problems on account of the health crisis.

Employers whose payment deadline falls on 15 April at noon may defer all or part of the payment of the employee and employer contributions due at that time. The payment deadline for these contributions will be automatically deferred for up to 3 months while their terms of payment are agreed with the collection organizations.

Employers may adjust the payment of these contributions, i.e. either reduce them to 0, or settle only a portion of the contributions due.

Where the employer pays its contributions outside of the DSN ("declaration sociale nominative"), via bank transfer, it may either adjust the amount transferred or suspend the transfer entirely. Where the employer pays its contributions via the DSN, it may adjust its transfer SEPA payment on this DSN.

Employers that prefer to pay employee contributions may stagger the payment of their employer contributions in accordance with the normal procedure available on Urssaf.fr.

All requests for deferral carried out in accordance with the procedures in place will be automatically processed in a timely manner by the Urssaf services, which will get back to the employer to specify the terms of application.

A deferral or deadline extension is also possible for supplementary pension contributions. Employers are advised to contact their supplementary pension institution.

It is important to note that, in a press release dated 3 April 2020, Gérald Darmanin recalled that these exceptional measures are intended for the businesses and micro-enterprises that need them most. It is important that companies that are able to do so continue to contribute to financing national solidarity.



## Criminal law measures

### • Proceeding

Among others, an emergency bill n°2020-303 dated March 25, 2020 deals with the adaptation of the criminal rules and proceeding during this period. Provisions are applicable until the expiration of a period of one month from the date of termination of the state of health emergency declared in the conditions of article 4 of the law of March 23, 2020.

This order suspends the limitation periods for public action and execution of sentences from March 12, 2020. It eases the conditions for referral to courts and lightens their activity, by authorizing dematerialized hearings more broadly.

Rules of criminal procedure applicable to persons in police custody, provisionally detained or under house arrest are modified.

It allows a lawyer to assist a person under police custody using a means of telecommunications.

It extends the maximum periods for placement in pre-trial detention and house arrest during the investigation and for the hearing.

It lengthens the processing times for requests for the release of provisionally detained persons.

French Courts have been closed since March 16, 2020 except for the processing of "essential" disputes, in practice mostly in criminal and family law matters.

### • "New measures" and continuity

Criminal fines were edited in case of violation of coronavirus confinement restrictions.

Some proceeding delays were maintained (ie recourses against decision of judges of liberties and detention having authorized investigation and seizure operations carried out for tax investigations purposes).

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### • New legal instruments will be adopted in order to sanctuarise and validate the early ordinances, and new ordinances will be enacted to address the ramp up period post end of lockdown (May 11).

#### • Employment law and social protection

Submit, if any, a request of part-time unemployment: <https://activitepartielle.emploi.gouv.fr>

#### • Criminal law measures

##### Coronavirus criminal litigation

Since the appearance of the first cases of Coronavirus, scams multiplied, despite administrative alerts and recommendations. Criminal investigations and hearings will probably increase on this ground.

End of the suspension of the limitation periods.

Probable increase of investigations and criminal litigations linked to the health emergency period (concealed work...)

#### • Employment law and social protection

##### Two steps to implement teleworking:

- Consultation of the CSE ;
- Individual information of the employees by any means

##### Two steps to impose or reschedule days of paid leave/ compensatory rest:

- Individual information of the employees;
- Respect the priori notice of 1 clear day.

**Submit, if any, to benefit from the exceptional system set up by the Urssaf:**

<https://www.urssaf.fr> and log into your personal account.





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### 1. General

#### • Relaxation of the restrictions

Overview of the **COVID-19 resolutions of the federal and state governments taken on May 6, 2020: (to apply until further notice, still applicable on May 21, 2020, subject to changes and modifications at Federal State level):**

- **All shops** in Germany, regardless of their size, are to be **allowed to reopen under certain conditions.**
  - The **contact restrictions** for citizens in public spaces will be **extended** in principle until 5 June. The only relaxation: in future, members of two households will also be allowed to meet.
  - Every pupil and every **pre-school child** should, if possible, go to school or to the day care center at least once before the summer.
  - Federal States are to decide on the **gradual opening of the catering trade.**
  - **Sport and training** in mass sports will be allowed again in the open air, albeit subject to a specific Pandemic rules set.
  - The soccer **Bundesliga** may resume playing from 15 May onwards, subject to the agreed conditions.
- The relaxation of the restrictions comes with a so-called **emergency brake:** If, within a specific district, more than 50 new infections per 100,000 people will be detected – relaxation of restrictions can be taken away on a regional or district bases. This aims at preventing a renewed shutdown or lockdown of the whole of Germany.
  - **Germany's entrepreneurs are more pessimistic than ever.** The ifo business climate index plunges to the lowest level in history.
  - German industrial companies are expecting an **unprecedented slump in production.** The corresponding "Ifo barometer" for the next three months plunged to minus 51.4 points in April, down from minus 21.4 in March. This is the lowest point since reunification. "The production valley is getting deeper and deeper," says Ifo expert Klaus Wohlrabe.
  - The German government plans to present an **economic stimulus package** at the beginning of June. This was announced by Chancellor Angela Merkel. The program is to be agreed upon in the week after Whitsun. Merkel "We will need an economic stimulus package.". Whitsun/Pentecost is at the end of May.
  - The German Foreign Office wants to **extend the worldwide travel warning until at least mid-June.** Federal Foreign Minister Heiko Maas confirmed: The travel warnings will remain in effect until 14 June. During that time, he said, many consultations would be held with European partners to coordinate their efforts. Simultaneously, efforts are being made to come to a mutual agreement for the reopening of borders with a multitude of countries, also to ensure that holiday regions will not suffer severely from the Pandemic, while ensuring public safety.
  - The Federal Government is paving the way for a **corona tracing app**, in which data will be stored decentrally. The App is currently in the making.
  - The Federal Minister of Health, Jens Spahn, has called for a **return to normal hospital operations.** From May on, a part of the hospital capacities should be used for plannable operations. Spahn has therefore called on the states to reduce the number of intensive care beds, which are reduced for Covid-19 patients.
  - All German federal states have now decided to make it **compulsory to wear masks** to stop the spread of the coronavirus. However, the date from which a mouth and nose protector must be worn and whether this applies to retail

outlets and/or public transport varies. Since Monday, 27 April, all federal states have made it compulsory to wear masks in **certain places such as public transport, when shopping or in public buildings.** German air carrier **Lufthansa** requires all passengers to wear a mouth and nose mask on their flights. In addition, it is recommended to wear the cover during the entire journey, as the company states. The compulsory wearing of masks on board is to apply from Monday (4 May) initially until 31 August this year in all airlines in the Group.

- The Paul Ehrlich Institute (PEI) has approved the **first clinical trial of a vaccine against the novel coronavirus in Germany.** This allows the Mainz-based company Biontech to test four vaccines on healthy and adult volunteers.
- The German Finance Ministry has released another 7.8 billion euros for the **procurement of protective equipment.** Among other things, the money will be used to purchase masks and gloves for doctors' offices and hospitals.
- The Munich Oktoberfest 2020 is cancelled. The Casnntatter Wasen, the second largest festivity in Germany, has followed.
- As part of the resolutions taken by Chancellor Merkel and the heads of governments of the Federal States, initial measures aiming at slightly on tightening the lockdown rules have been agreed upon. [Cf. Update by Resolutions of May 6, 2020]
- As a general rule, the ban on contact will remain in place until May 3, 2020. [Cf. Update by Resolutions of May 6, 2020]
- What will be possible, subject to certain prerequisites being fulfilled, are: the re-opening of businesses with a sales area of up to 800 m<sup>2</sup>, the re-opening of Car and Bike Dealer premises as well as bookshops, irrespective of the sales area, certain measures related to schools, universities, university libraries, kids care, in part gradually. [Cf. Update by Resolutions of May 6, 2020]
- What will remain prohibited are, inter alia: the reopening of restaurants, bars, pubs and hotels, the reopening of businesses in the service industry which require physical proximity (with some exceptions), the full reopening of kids care facilities, big events, gatherings, including for religious purposes, private travel including **for visiting family members.** [Cf. Update by Resolutions of May 6, 2020]
- The **Bavarian Administrative Court has declared the sales ban imposed by the state government on shops with more than 800 square metres of sales area to be unconstitutional.** Since smaller shops are allowed to open, this is a violation of the principle of equality of the Basic Law. Minister of Health Melanie Huml (CSU) announced that the sales ban for large stores would be relaxed. These are to be allowed to open if they limit their sales area to 800 square meters. Administrative Courts of some other Federal States have followed the example set by the Bavarian Administrative Court; others have come to the conclusion that the ban is constitutional.

### 2. Various measures

- As part of the Resolutions of the Federal Cabinet on Wednesday, 20 May 2020, has decided to tighten the **Foreign Trade and Payments Ordinance** for the health sector. On 20 May 2020, the Federal Cabinet adopted an amendment to the Foreign Trade and Payments Ordinance (AWV) for the health sector. It provides for an obligation to notify if non-EU companies intend to acquire shares of more than 10% in German companies that develop or produce vaccines, drugs, personal protective equipment (e.g., mouth-nose masks) or medical

goods for the treatment of highly infectious diseases (e.g., respirators). Further adjustments planned: The Federal Ministry of Economics and Energy intends to present further proposals for amending the AWV before the summer. These are intended to supplement the amendment to the Foreign Trade and Payments Act, which was already adopted by the Federal Cabinet on 8 April 2020 and is currently in the parliamentary procedure.

- As part of the Resolutions of the Federal Cabinet on Wednesday, 20 May 2020, the Federal Cabinet has approved **cornerstones for voluntary voucher solutions in travel law.** Package holidaymakers who were unable to start their journey due to the Pandemic retain their immediate right to reimbursement. There will be no compulsory voucher model discussed previously. Instead, on 20 May 2020 the Federal Cabinet, in accordance with the recommendations of the European Commission, adopted key points for a voluntary voucher solution to mitigate the consequences of the COVID-19 Pandemic for the package tour industry. In the case of cancelled package tours, tour operators can offer customers vouchers, on a voluntary basis, for tours booked before 8 March 2020 that cannot be carried out due to the Pandemic - instead of an immediate refund of the travel price. In the current crisis situation, tour operators are so to be saved from losing their existence. The German government is thus complying with the requirements of the EU Package Travel Directive and the recommendations of the EU Commission. The cabinet intends to pass a corresponding bill shortly. In addition to the statutory insolvency insurance, the federal government wants to guarantee the value of the vouchers in full by means of supplementary state insurance. Furthermore, the Federal Government intends to adjust the existing aid programmes for the German economy for specific support measures for the package tour industry in the near future.
- Online participation in planning procedures | **Planungssicherungsgesetz or Planning Security Act: counteracting delays in construction projects** Pandemic-induced contact restrictions complicate many procedures in construction and environmental planning. Documents cannot always be inspected in town halls, hearings in large groups cannot take place. Therefore, discussions and application conferences are now to take place online. The Bundestag and Bundesrat have passed a special regulation for the Corona period. The special regulation now passed ensures that construction planning and environmental approval procedures can be carried out in a legally secure manner and without delay. On April 29th, the cabinet set them on the way for a speedy parliamentary discussion. The Bundestag passed it on 14 May. The Bundesrat has now also approved it. This means that it can enter into force at short notice - after announcement in the Federal Law Gazette. The authorities will be provided with a uniform, clear catalogue of measures for various sectoral planning and approval procedures. The special regulation - the so-called Planning Security Act - is intended to facilitate the procedures under 15 sectoral laws: for example, for procedures for environmental impact assessment, under the Federal Immission Control Act and the Federal Nature Conservation Act, under the Federal Building Code, the Regional Planning Act, the Energy Industry and Network Expansion Acceleration Act, and under the Federal Highway, Railway and Air Traffic Act. The new regulation is to apply until 31 March 2021.
- 550 million euros for **digital learning:** The federal and state governments are investing in the acquisition of mobile end devices for pupils with an immediate programme. "The corona crisis must not become an education crisis", says Federal Minister of Education Karliczek.

# Germany

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- As part of the Resolutions of the Federal Cabinet on Wednesday, 20 May 2020, the Federal Cabinet has resolved on **relief for electricity customers**. Electricity will become cheaper for end consumers in the coming year. This is provided for by an amendment to the Renewable Energies Ordinance, which was passed by the Federal Cabinet. It is to come into force on January 1, 2021; the Bundestag still has to approve it. In the future, the Renewable Energies Levy is to be relieved by a financial subsidy from the proceeds of CO2 pricing. Consumers will thus pay less for their electricity - so far they have financed the entire subsidy costs for the expansion of renewable energies through the electricity price component of the EEG levy. In addition, the new legislation will improve incentives for the use of "green electricity" for climate protection.

### 3. Insolvency

[Summarized information, for details check our [website](#)].

- Under German law, management bodies of German companies are generally subject to an **obligation to file for insolvency**, which kicks in if and as soon as a reason for opening insolvency proceedings arises (inability to pay or over-indebtedness in the absence of a positive prognosis of continued existence) and must then be fulfilled immediately, at the latest within 3 weeks.
- A breach of this obligation can lead to criminal prosecution of the responsible members of the managing bodies and to personal **liability**
- The obligation to file for insolvency has been **suspended until September 30, 2020**
- This does not apply if the ground for insolvency are not **due to the consequences of the spread of the SARS-CoV-2 virus (COVID-19 Pandemic) or if there is no prospect of eliminating an existing insolvency**.
- If the debtor was not insolvent on 31 December 2019, it is **assumed** that the ground for insolvency have been induced by the effects of the COVID-19 Pandemic and there are prospects of eliminating an existing insolvency.
- The provisions on the suspension of the obligation to file for insolvency correspond to corresponding **consequential changes**. The regulations on the (in)-**admissibility of payments** in Section 64 German Limited Liability Companies Act, Section 92 paragraph (2) German Stock Corporation Act and comparable provisions of the German Commercial Code and German Cooperatives Act are **modified**, the same applies to the **return of loans granted and collateral provided** during the suspension period - these are

no longer per se subordinate and are not to be considered immoral - and legal acts which have granted or enabled the other party to grant security or satisfaction - these are privileged and are **excluded from avoidance/ clawback (actio pauliana) provisions**.

- **Payments during the suspension period** which are made in the ordinary course of business, in particular those payments which serve to maintain or resume business operations or to implement a restructuring concept, will in future be deemed to be **compatible with the diligence of a prudent and conscientious business man** within the meaning of the relevant statutory provisions of the respective laws.
- In the case of **creditors' insolvency petitions** filed within 3 months of the date of the Law's entry into force, the opening of insolvency proceedings requires that the reason for opening the proceedings already existed on 1 March 2020. As things stand at present, this applies regardless of whether the reason for opening the insolvency proceedings is due to the COVID-19 Pandemic.
- The suspension of the obligation to file for insolvency is **initially limited until 30 September 2020**. However, the Federal Ministry of Justice is **authorised to extend** the period of applicability **until 31 March 2021**.
- The **privileged treatment of the repayment of loans and collateral** - including privileges under insolvency avoidance law - covers measures taken up **to 30 September 2023**; special privileges are granted for financing and collateralization within the framework of government aid programs.

### 4. Several amendments to existing laws by means of the COVID 19 Pandemic Act

- A central component in the area of civil, corporate and insolvency law is the **"Act on Mitigation of the Consequences of the COVID 19 Pandemic in Civil, Insolvency and Criminal Procedure Law"** (hereinafter also referred to as the "COVID 19 Pandemic Act").
- Article 1 of the COVID 19 Pandemic Act contains the **law on the temporary suspension of the obligation to file for insolvency and to limit the liability of executive bodies in the event of insolvency caused by the COVID 19 Pandemic (COVInsAG)**. See above.
- Article 2 of the COVID 19 Pandemic Act contains the so-called **Law on Measures in Company, Association, Cooperative and Condominium Law to Combat the Effects of the Infection with the SARS CoV-2 Virus**. This

law initially provides for regulations concerning general meetings of stock corporations, KGaA and SE and cooperatives in times of crisis. In addition, it extends the period provided for in Section 17 paragraph (2) sentence 4 of the German Reorganization Act from the current 8 months to 12 months. Further regulations concern general meetings of associations and regulations for condominium owners' associations.

- Art. 3 of the COVID-19 Pandemic Act contains amendments to the Introductory Law to the **Code of Criminal Procedure** - we have refrained from presenting them. The same applies to the further amendments to the Introductory Act to the Code of Criminal Procedure provided for in Article 4 of the COVID-19 Pandemic Act.
- Article 5 of the COVID-19 Pandemic Act **supplements Article 240 of the Introductory Act to the Civil Code with special provisions on the consequences of the Pandemic**. In particular, **consumers, but also micro-enterprises**, as well as tenants, are to be protected from the **legal consequences of financial problems in connection with the COVID-19 Pandemic**. Essential points can be roughly summarized as follows:
  - If a **consumer** is unable to meet his (payment) obligations from certain continuous obligations in the period April to June 2020 without endangering his livelihood, he is entitled to temporarily refuse to meet his (payment) obligations. A corresponding regulation is provided for **micro-enterprises**. Excluded are - among others - contracts of employment.
  - If a **tenant** is temporarily unable to meet his obligations to pay the rent in the period from April to June 2020, the tenancy cannot be terminated solely for this reason; however, he remains obliged to pay the rent and must subsequently pay off accrued rent debts. This regulation applies to all tenants, regardless of whether the rent is residential or commercial.
  - If a **consumer**, due to financial problems as a result of the COVID-19 Pandemic, is not in a position to meet due loan obligations under **consumer loan agreements** without limitation of his reasonable living costs, he is entitled to refuse the due payments without legal disadvantages. Unless the parties agree otherwise in individual cases, the loan will be virtually suspended as a result of such a deferral, all payments will be postponed by (up to) 3 months without any disadvantage to the consumer. The lender may not terminate the loan during the deferral period.



## Economic Measures

### 1. General

- **Germany's entrepreneurs are more pessimistic than ever**. The ifo business climate index plunges to the lowest level in history.

### 2. Corona Matching Facility for VC fund backed startups and young growth companies

- As of 14 May 2020, applications can be submitted to KfW Capital for financial support for start-ups and small and medium-sized enterprises. With this, Federal Ministers Scholz and Altmaier are implementing their jointly developed support of EUR 2 billion, the Corona Matching Facility, or CMF for short, which was drawn up in early April.

- Corona Matching Facility is the first pillar of the German Government's package of measures for startups and young growth companies.
- The financial support is targeted at VC fund backed startups and young growth companies which are closely related to Germany and in need of funding due to Covid-19. Another condition is that the startup or young growth company was not yet in financial difficulties on 31 December 2019 [as defined by the EU].
- Private VC fund managers with a German portfolio can apply for matching of their funding rounds with federal funds by KfW Capital until 31 December 2020.
- Before funding is approved, all VC fund managers have to go through a series of checks.

- Only private VC fund managers with a German portfolio are eligible to apply if they fulfil the following criteria: (i) Independent German or European VC fund manager, (ii) Successfully completed checks by KfW Capital.

### 3. Short-shifts and short shift subsidies:

[Summarized information, for details check our [website](#)].

- The **government employment** agency generally substitutes 67% of lost pay (post tax) to employees with children, and 60% to others;
- The Federal Cabinet decided on **further corona aid for employees**: employees who have to go on short-time work because of the corona crisis will receive further aid. On April 29, the Federal Cabinet approved the draft

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of a package of laws by Labor Minister Hubertus Heil (SPD). The package is based on a resolution passed by coalition leaders last week, according to which short-time work benefits are to be temporarily increased to up to 80 percent of the last net wage in the case of longer periods of employment - up to 87 percent for people with children. So far the figure is 60 or 67 percent. Unemployment benefits are to be available for longer.

- The short-shift subsidy can be payable for **up to 12 months** - extension to 24 months possible;
- The government pays all **social security contributions** (including employers') related to these subsidies.
- **Acceleration and simplification of access** to short shift, i.e. reduced hours, as well as related subsidies
- Short shift must affect at least **10% of the employees** (previously: 30%) with a loss of 10% of their remuneration.
- Short shift subsidies now also apply to **temporary employees**
- Short shift subsidies can now also cover full **social security contributions**
- Wrongful applications and incorrect information given as part of the application process for short shift subsidies can lead to **sanctions**, including under criminal law
- Experience shows that **examinations** will be undertaken at a later stage

#### 4. Other employment law related measures

- Amendments have been made to the Infection Protection Act.
- Employers can apply for compensation if employees were sent in quarantine.
- Employees who have to look after their children and are unable to work due to an official closure of a day care centre or school and experience a loss of remuneration will be entitled to compensation amounting to 67% of their monthly net income for a period of up to six weeks in accordance with Section 56 (1a) Infection Protection Act.

#### 5. Tax initiatives:

##### General

- Simplification of process to apply for **relief from tax payments**;
- acceleration of **adjustments to tax prepayments**;
- tax enforcement actions deferred to 31 December 2020 if failure to pay linked to coronavirus
- **wrongful applications** and incorrect information given as part of the application process for short shift subsidies can lead to **sanctions**, including under criminal law
- experience shows that examinations will be undertaken at a later stage

##### Details

- Postponement of deadlines for tax payments:  
Based on a decree of the Federal Ministry of Finance dated March 13, 2020 taxpayers have the option of applying to defer making (corporate) income tax payments without being charged interest. Taxpayers that are "directly and seriously affected" by COVID 19 may apply for deferral until 31 December 2020. There are no guidelines or definitions what "directly and seriously affected" means. The decree provides that approval for these measures will be granted even if affected taxpayers cannot yet quantify the economic damage resulting from COVID 19. As the administration of the CIT is being done by the various states and not by the federal government the application steps and the required forms to apply for a payment deferral vary from state to state. Forms can be downloaded from the state's tax administration website.

For the municipal trade tax a joint decree of the state tax authorities dated March 13, 2020 provides for a simplified procedure to reduce trade tax prepayments. Such applications have to be submitted to the tax authorities. Applications to defer trade tax payments or to completely waive trade tax payments have to be submitted to the local trade authorities and not to the tax authorities (except for the state of Berlin, Hamburg and Bremen where such applications have to be filed with the tax authorities).

Similar measures exist for VAT, customs and energy tax. Social security contribution payments for the months March to May can be deferred until the end of June without triggering interest.

- Postponement of deadlines for tax return filings:  
Certain states provide for an extension of the 2018 CIT tax return filing deadline (March 1, 2020) to May 31, 2020 and other tax filing deadlines like e.g. quarterly VAT returns upon request. Late filing penalties can be waived upon request. Tax offices are instructed to generously approve applications for filing extensions for taxpayers that are affected by COVID 19.

There is no general postponement of tax filing deadlines at a federal level.

- Adjustments to interest and/or penalties for late payments /filings  
Deferral of tax payments that become due until 31 December 2020 should generally not trigger interest during the deferral period. Late payment penalties for tax payments for the period 13 March 2020 until 31 December 2020 are generally waived. All taxpayers that are "directly and seriously affected" by COVID 19 may apply for these measures.

##### • Other

Enforcement measures are generally suspended until 31 December 2020 for "directly and seriously" affected taxpayers without triggering late payment penalties.

#### 6. Insolvency

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## 8. "Protective shield" for businesses including:

- **Broader scope of and accelerated access to promotional loans for entities of all sizes** as well as liberal professions from the state-owned KfW Bank - "KfW Sonderprogramm"
- No separate risk assessment of KfW for loans up to Euro 3m per applicant
- Simplified risk assessment (Modified Fast Track) for loans up to €10m per applicant.
- Application will still need to be made through commercial banks who will run their own credit assessment procedures.
- Loans for small- and mid-sized entities can be equipped with **indemnity declared by KfW vis-à-vis the commercial bank of up to 90%**, loans for larger entities can be equipped with a corresponding indemnity of up to **80%**
- Newly introduced "**KfW Schnellkredit**" ("**KfW Fast Track Loan 2020**") for small and medium-sized enterprises: Loans amounting to a maximum of 3 monthly turnovers generated in 2019, but capped at EUR500k for businesses with 11 to 49 employees and €800k - for all entities with 51 to 249 employees. All loans can be equipped with a **indemnity declared by KfW vis-à-vis the commercial bank of 100%**. **Specific features of the programme are the 100% indemnity of the house bank by the KfW and the extensive waiving of a credit check.** Before disbursement, the commercial bank only checks the turnover and number of employees and that the company has made a profit in 2019. When submitting the application, the applying company must declare that it had "**orderly financial circumstances**" **as at 31.12.2019**. The aim of these general conditions is to enable the enterprises to obtain loans **quickly**. **At 3.0%, the interest rate is comparatively high** compared to the other promotional programmes, and the loan is repayable in ten years with a two-year grace period. The programme will **not be combinable with other programmes**. During the term of the Fast Track Loan, dividend distributions and other payments to shareholders are generally prohibited – certain distributions to individuals acting as shareholders can be permissible. Further details of the program have been enacted and applications can be made since 15 April, 2020.
- Guarantees covering 90% of the amount of Investment.
- Update CW: Unlike the situation at the beginning of April, the **conditions of the KfW Special Programmes 2020 now provide for a ban on profit and dividend distributions**. The corresponding leaflets and other information have been adjusted accordingly in the meantime. They now provide for the following wording: Profit and dividend distributions (the latter only to the extent not required

by law) are not permitted during the term of the loan, with the exception of customary market remuneration to business owners (natural persons). This also applies to profit and dividend distribution resolutions already adopted by general meetings.

For this reason, the Executive Board must now also consider whether and to what extent a distribution policy correlates (or conflicts with) with the use of KfW programmes.

- Wrongful applications and incorrect information given as part of the application process can lead to **sanctions**, including under criminal law,
- Experience shows that **examinations** will be undertaken at a later stage.
- **Additional support and financial aid programs at the level of the Federal States** (in German: Bundesländer) - mostly earmarked for micro enterprises, self-employed as well as small and medium-sized entities – not reported here).

## 9. Bailout fund/ Economic Stabilization Fund (Wirtschaftsstabilisierungsfonds):

- Bailout fund has been implemented by way of the Act on the Establishment of a Non-Legally Capable Special Fund „**Economic Stabilization Fund – WSF**".
- The WSF is endowed with **600 billion euros** which are provided for the following measures:
  - 400bn euros guarantees for refinancing measures of companies.
  - 100bn euros with which debt Instruments and liabilities of companies can be taken over.
- Additional 100bn euros will be provided for special loans from the state-owned KfW Bank.
- In accordance with Section 16 of the Act, the **purpose** of the Economic Stabilization Fund is **to stabilize companies in the real economy by overcoming liquidity bottlenecks and by creating the framework conditions for strengthening the capital base** of companies whose existence would have a **significant impact** on the economy, technological sovereignty, security of supply, critical infrastructures or the labor market.
- **Companies in the financial sector** and credit institutions or bridge institutions are **not** considered to be companies in the real economy.
- Eligible companies must have **fulfilled at least 2 of the 3 following criteria** by 31 December 2019: (i) balance sheet total of more than EUR 43,000,000, (ii) turnover of more than EUR 50,000,000, (iii) more than 249 employees on an annual average.
- The **Federal Ministry of Finance** in agreement with the **Federal Ministry of Economics and Energy** will decide on the stabilization measures to be taken by the Economic Stabilization Fund upon application of the enterprise.
- **Stabilization measures** consist, among other things, of the **assumption of guarantees and participation in recapitalization measures**, which in turn comprise the acquisition of subordinated debt, hybrid bonds, profit participation rights, silent participations, convertible bonds, the acquisition of shares in companies and the assumption of other components of the equity of these companies.
- The **prerequisites and conditions** for stabilization measures essentially consist of the fact that **additional financing options are not available to the companies**.
- In addition, the stabilization measures must provide **clear and independent prospects for continued operations after the Pandemic** has been overcome. Companies applying for a stabilization measure

may **not** have met the EU definition of "companies in difficulty" as of 31 December 2019; they must guarantee a sound and prudent business policy.

- The **further details** regarding the management of the special assets and the corresponding framework conditions are to be specified flexibly in an accompanying **statutory ordinance** issued by the Federal Ministry of Finance in agreement with the Federal Ministry of Economics and Energy.

## 10. Small entities and self employed persons:

- Small companies and solo self-employed persons such as artists and carers can apply for non-repayable direct grants of up to EUR 9000 respectively Euro 15,000 over three months.
- Wrongful applications and incorrect information given as part of the application process can lead to **sanctions**, including under criminal law
- Experience shows that **examinations** will be undertaken at a later stage - state owned banks of individual Federal States have already announced that they have seen wrongful applications and will undertake thorough **examinations**.

## 11. Social security contributions

- Companies can apply for a postponement/deferral of their obligation to make payment of their social security contributions
- Several prerequisites, etc. apply

## 12. COVID-19 Hospital Relief Act (Covid19-Krankenhausentlastungsgesetz)

- Enacted. Act comprises a **number of measures to guarantee the funding of hospitals and ensure their liquidity**. For non-essential surgery and treatment that has been postponed, hospitals are to receive financial compensation from the liquidity reserve of the health fund. This will be re-financed from the national budget. Until the end of September, hospitals will receive a lump sum payment of 560 euros a day for every bed they keep free. For every additional intensive care bed that hospitals put in place, they will receive a bonus of 50,000 euros. Hospitals will receive an additional payment of 50 euros per patient to cover the additional costs, especially of personal protective gear. This provision will apply for a limited period. It can be extended or raised as necessary. The provisional nursing fee will be raised by about 38 euros to 185 euros a day.
- The legislation also contains **provisions for out-patient care. Doctors working in practices** can expect to receive compensatory payments if they suffer loss of earnings as a result of the COVID-19 pandemic. At the same time, additional costs incurred as a result of treating COVID-19 patients are to be offset. The financing of extraordinary measures, such as setting up "outpatient clinics for patients with fever" is also to be ensured.
- The legislation also contains provisions to **ensure nursing care** and reduce the risk of infection to those in need of care and to all those working in nursing. The strain on nursing facilities and nursing staff is also to be reduced. The additional financial costs incurred by the pandemic or any loss of income is to be reimbursed through the long-term nursing care insurance. Bureaucratic requirements and the obligation to produce an expert report will be waived for a time. Nursing care insurance schemes will be granted more leeway to help them avoid gaps arising in nursing care coverage for people receiving care at home.

## 13. Guidance for auditors

- Institut der Wirtschaftsprüfer (IDW): Guidance for auditors (in English) on consequences for business, going concern, changing audit opinion after reporting period.

# Germany

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- Institut der Wirtschaftsprüfer (IDW): Guidance for auditors (in English) on consequences for valuations

#### 14. Guidance by German FSI Regulator BaFin

- In his own words, the Germany's supervisory authority BaFin "takes the current risk situation very seriously. BaFin is working together with the European Central

Bank and the European Supervisory Authorities to monitor the coronavirus situation"

- BaFin has issued an FAQ documents under the title Supervisory and regulatory measures [in reaction to covid-19] (FAQ). Due to the special situation surrounding COVID-19 (the novel coronavirus), The FAQ document summarizes BaFin's responses to numerous queries from associations and institutions that it

has received, many of which allude to the same topics. Pursuant to BaFin, "where applicable, these explanations, which are provided by BaFin's Banking Supervision Sector, apply mutatis mutandis to securities trading banks and financial services institutions." The FAQ document can be found [here](#).



## Employment law and social protection measures

### 1. Short-shifts and short shift subsidies :

[Summarized information, for details check our [website](#)].

- The **government employment** agency generally substitutes 67% of lost pay (post tax) to employees with children, and 60% to others;
- The short-shift subsidy can be payable for **up to 12 months** - extension to 24 months possible but not implemented yet ;
- The government pays all **social security contributions** (including employer's) related to these subsidies.
- **Acceleration and simplification of access** to short shift, i.e. reduced hours, as well as related subsidies.
- Short shift must affect at least **10% of the employees** (previously: 30%) with a loss of 10% of their remuneration.
- Short shift subsidies now also apply to **temporary employees**
- Short shift subsidies can now also cover full **social security contributions**
- Wrongful applications and incorrect information given as part of the application process for short shift subsidies can lead to **sanctions**, including under criminal law.
- Experience shows that **examinations** will be undertaken at a later stage.
- The Federal Cabinet **decided on further corona aid for employees:** employees who have to go on short-time work because of the corona crisis will receive further aid. Short-time work benefits are to be temporarily increased to up to 80 percent of the last net wage in the case of longer periods of employment - up to 87 percent for people with children. So far the figure is 60 or 67 percent. Unemployment benefits are to be available for longer.

### 2. Other employment law related measures

- Amendments have been made to the Infection Protection Act.
- Employers can apply for compensation if employees were sent in quarantine.
- Employees who have to look after their children and are unable to work due to an official closure of a day care centre or school and experience a loss of remuneration will be entitled to compensation amounting to 67% of their monthly net income for a period of up to six weeks in accordance with Section 56 (1a) Infection Protection Act.

- As part of the Resolutions of the Federal Cabinet on Wednesday, 20 May 2020, the Federal Cabinet has extended the continued payment of salaries for parents. Parents who suffer from double burden due to the Pandemic with simultaneous childcare and work will continue to receive support. As the Federal Government announced on 20 May 2020, it has extended the already existing continued wage payment in case of day-care and school closures from six to ten weeks. Replacement will be 67% of the loss of earnings (up to a maximum of 2016 euros per month).
- As part of the Resolutions of the Federal Cabinet on Wednesday, 20 May 2020, the Federal Cabinet has resolved on Stricter conditions for the meat industry. A lack of occupational safety in some meat processing plants led to an increase in corona diseases. Employees from Eastern European countries are particularly affected. The Federal Cabinet has now adopted the key points of an occupational safety programme.
- As part of the Resolutions of the Federal Cabinet on Wednesday, 15 May 2020, the Federal Cabinet has resolved on measures to ensure co-determination at company level. The current restrictions resulting from the Pandemic pose practical difficulties and legal uncertainties for staff council elections as well as for the general ability of staff and works councils to act and pass resolutions. With a mix of measures, the Federal Government intends to ensure the co-determination of employees even in the current situation. Specifically, the Works Constitution Act and the Federal Personnel Representation Act are to be amended. This is intended to expand the possibilities for works councils to pass resolutions, to ensure that staff representatives are able to act and to ensure that the staff council elections are concluded. The Federal Government's proposals were discussed, supplemented and adopted in the Bundestag. The Bundesrat, whose approval was not required, conclusively discussed the draft legislation on May 15, 2020.

### 3. SARS-CoV-2 Occupational Safety and Health Standard

- The Federal Ministry of Labour and Social Affairs ("BMAS") has presented a new standard for occupational safety and health under the title "SARS-CoV-2 Occupational Safety and Health Standard", the SARS-CoV-2 Occupational Safety and Health Standard.
- In accordance with the SARS-CoV-2 occupational health and safety standard, employers are required, among other things, to set up a crisis management team, which, with the involvement of all relevant stakeholders, draws up a comprehensive pandemic concept with which an appropriate response to the crisis situation can be made.

- This pandemic concept must be implemented in the company and continuously adapted to the latest developments; compliance with it must be continuously monitored. In the opinion of the Ministry, this is the only way to minimize health risks for employees as well as any disruptions to operations, while at the same time avoiding potential liability of the em-ployer towards the employees as well as regulatory, corporate and crimi-nal liability of the employer and its bodies.



### 1. Several amendments to existing laws by means of the COVID 19 Pandemic Act

[Summarized information, for details check our [website](#)].

Introductory Act to the Code of Criminal Procedure provided for in Article 4 of the COVID-19 Pandemic Act.

- Art. 3 of the COVID-19 Pandemic Act contains amendments to the Introductory Law to the **Code of Criminal Procedure** - we have refrained from presenting them. The same applies to the further amendments to the

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[Summarized information, for details check our [website](#)].

- **Gastronomy and the hotel industry are threatened by a wave of insolvencies:** according to the German Hotel and Restaurant Association (Dehoga), about 70,000 of the total of about 223,000 businesses are facing insolvency. Federal Minister of Economics Peter Altmaier (CDU) announced **“help and support” for the catering trade.**
- Many **self-employed people in Germany are losing their income** due to the corona crisis: According to a survey by the KfW development bank, 90 percent complain about a drop in turnover, and **more than half of them have lost more than 75 percent of their income.**
- The Federal Government has made available a document referred to as “Governmental formulation aid: **Draft of an act to mitigate the consequences of the COVID-19 pandemic in the field of competition law and in the field of self-governing organisations of the commercial economy**” which shall serve as basis for the new Act. In the areas of competition law, the Act shall provide for the following regulations:
  - **Changes in merger control law:** In view of the current special situation, the **review periods** in national merger control will be adapted and **extended** (as a one-time exception). The extension only affects notifications received by the Bundeskartellamt (“Federal Cartel Office”) during the acute phase of the crisis (1 March to 31 May 2020).
  - **Changes in the law on fines under competition law:** The amendment stipulates that companies which, given their economic circumstances, cannot be expected to pay a fine immediately, are **exempted from the interest** on the fine until 30 June 2021.
- The Federal Government has announced that it plans to **help businesses in the event and leisure industry by implementing a coupon/voucher solution** enabling businesses to not return payments received but issue vouchers instead. The Federal Government has made available a document referred to as “Governmental formulation aid: Draft of an act to mitigate the

consequences of the COVID-19 pandemic in event contract law” which shall serve as basis for the new Act. In essence, unless unreasonable, the event organizer shall be entitled to instead of repaying the monies received, issue a coupon/voucher.

- The Federal Cabinet has adopted a **bill to amend the Foreign Trade and Payments Act** (Außenwirtschaftsgesetz). It will **render the screening of foreign direct investment (FDI) more effective, and tighten the criteria**, thereby closing a regulatory gap. Specifically, in future all proposed foreign investments shall be examined for any “likely adverse impact” on public order, safety or security – in line with the EU FDI Screening Regulation. The Foreign Trade and Payments Act has hitherto used as its criterion only the “actual and serious threat” posed. National investment screening can in future also take into account any possible impact on the public order, safety or security of another member state of the European Union, or on any projects or programmes that affect the interests of the Union. Moreover, any notifiable acquisitions will in future be deemed “provisionally invalid” until the investment screening is completed. A comprehensive ban on the execution of transactions subject to reporting requirements is now planned. The enforcement restriction is also to be subject to sanctions. The envisaged threat of sanctions is severe: the envisaged sanctions are imprisonment for up to five years or a fine.
- **Extension of term during which short time work subsidy is payable expected to be extended to 24 months.**
- **Further details related to WSF expected to be regulated by ordinance any time soon.** Both the approval process at the level of the European Commission as well as the Discussions between Ministries involved has caused some (and may cause further) delays. The discussions between the Ministries mainly are about influence that the public and should have when providing aid under the WSF.
- The Federal Cabinet has decided on **assistance for students and academics.** For academics in the qualification phase leading up to a doctoral

degree and in the immediate period thereafter, the maximum length of a limited-term contract will be extended, by the length of time for which the pandemic results in restrictions being imposed on the operating of universities and academic facilities. Students who are recipients of student loans will be entitled to work during the coronavirus pandemic to supplement their income. This will not be deducted from the assistance available to them under the BAföG student loan scheme.

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- The government is entitled to adopt new rules by decrees under the period of the state of emergency in the interest of people's health, legal certainty and the stability of the economy.
- Foreign citizens from six states can enter into Hungary for business purposes. This is available for the citizens of the following states: Czech Republic, Poland, Germany, Austria, Slovakia, Republic of Korea and Japan.
- Only people above the age of 65 can enter into grocery stores and pharmacies from 9:00 to 12:00 in the morning.
- Events are banned until 15 August 2020. Family events under 200 people are

allowed from 1 June 2020 (15 June 2020 in Budapest).

- Municipality councils cannot be dissolved until the end of the state of emergency.
- No state/local election or referendum can be proceed until the end of the state of emergency.
- Universities, primary and secondary educational institutions are closed and the education is continued online.
- Court procedures are mostly carried out without court hearings (the deadlines are not frozen, the court should mainly make its final decision out of court trials).

- Paypass limit is increased to HUF 15,000.

- Exemption from the obligation of taking foreign language examination, applying to all students who will have successfully completed their higher education studies by 31 August 2020.

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## Economic Measures

- Foreign seasonal workers can work in the agricultural sector
- Sectors most affected by the virus and industries with extensive traditions in Hungary can expect extra funding. Accordingly, the construction industry, transport, logistics, tourism, the creative industry, the health industry and the food industry will have access to development grants and tax cuts, in addition to the availability of preferential loans and capital programmes.
- Wider scope for tax payment facilities (e.g. instalment and deferred payment)
- Shorter deadline for VAT refunds: reducing the time limit in the case of normal taxpayers from 75 days to 30 days, while in the case of reliable taxpayers from 30 days to 20 days.
- The social contribution tax is reduced by 2 per cent.
- The deadline for the submission of several tax returns and financial statements is postponed to 30 September 2020. However, the financial statements of listed companies, banks, insurance companies and investment firms should be submitted in the standard deadline.
- Financial institutions and retail trade are subject to special tax.
- In the interest of protecting employers, credit guarantee and capital programmes have been announced to boost corporate liquidity. These grants could protect Hungarian-owned businesses not only from economic fallbacks, but equally from foreign buy-outs. Corporate credit facilities offered at preferential interest rates amount to almost HUF 2,000 billion in total, with state guarantees to the value of HUF 500 billion.
- Tenders with an allocation of hundreds of billions of forints will be released for companies retaining their work force for the purposes of technological developments, environmental protection and energy efficiency projects.

- In order to support tourism, the government is suspending the tourism tax up to the end of the year.

- Moratorium on evictions

- Suspension of tax enforcement procedures

- Extension of the entitlement for several maternity benefits until the end of the extraordinary situation.

- Moratorium on loan payments until year-end for companies and individuals as well.

- Short-term loans of enterprises extended until July 30

- Cap on the interest of future consumer loans (taken after 18 March)

- Waiver of employers' social security liabilities in sectors particularly affected: tourism, hospitality, entertainment, sports and cultural services, taxi service, hairdressers, dentists, outpatient care, event organizers; potential reduction of employee's social security liabilities (full waiver in certain cases)

- Restriction on the cancellation of property rental agreements and on the increase of rental fees in the most affected sectors until 30 June 2020.

- Employers will be exempt from the payment of contributions and taxes on their workers' wages in several agriculture related sectors.

- The health industry will receive significant support in order that the products of Hungarian pharmaceutical companies and medical manufacturers appear in Hungarian health care in a higher percentage. Both university and corporate research institutes will receive funding; an Agency for Health Industry Innovation is being set up.

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- For the duration of the suspension of work, the state undertakes to pay 70 per cent of wages attributable to the suspended working hours for a 3 months period.
- 40 per cent wage support available for 3 months in relation to the employees working in the research and development area.
- The social insurance of workers sent on unpaid leave will not be terminated.
- The documents of sick leave can also be submitted online.
- As a response to company shutdowns, online training will be organized for workers. The state undertakes to cover 95 per cent of training fees, while job-seekers are entitled to interest-free adult training student loans.
- University students will be able to apply for a one-time, any-purpose, interest-free student loan in the amount of HUF 500,000.
- Instead of the end of the school year, this year's eligibility for family allowance will be adjusted to the end of the state of emergency.
- The rules and deadlines relating to pensions and pension-like benefits change favorably.
- More flexible scheduling of working time: the employer can change the schedule even within 96 hours before the start work time.
- The employer can unilaterally order home office or telecommuting.
- The employer can check the state of health of the employee.
- Flexible forms for the conclusion of employment agreements is applied.

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## Criminal law measures

- Criminal measures can be applied up to 5 years jail terms for spreading misinformation that may hinder or defeat the success of the defense.

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**On 27 March 2020 the President of Ireland signed into law the Emergency Measures in the Public Interest (Covid-19) Act 2020.** The changes are time limited and will remain in operation until 9 November 2020, though the Oireachtas may by order extend this.

The Act provides that the Minister for Health has the power to introduce any measure he thinks necessary to prevent, limit, minimise or slow the spread of COVID-19. The Act does not itself introduce any restrictive or protective measures: it gives the Minister power to do so should the need arise. The Minister is not restricted in the type of measure he may introduce, but the Act sets out a non-exhaustive list of measures that may be covered by Regulations.

Under the act the Minister has powers to make regulations that:

- Restrict travel to and from Ireland
- Restrict travel within Ireland to stop people moving to and from affected areas
- Stop gatherings of people from taking place, and to make organisers of these gatherings put safeguards in place to prevent the virus from spreading
- Make businesses (such as shops) put safeguards in place to protect their staff and customers
- Close premises, including schools

#### Detention and isolation

- A chief medical officer may order a person who is a probable source to be detained and isolated in a specified place. A detention or isolation order can only be made where the person concerned cannot be effectively isolated or refuses to.
- The person can be detained and isolated in a hospital or other place for as long as the medical officer believes is necessary.
- The Act provides for certain safeguards, including a requirement that the medical officer ensure that any person detained is medically examined within 14 days of the detention.
- The definition of a person who is a “potential source of infection” is very broad

#### Enforcement

- The Act gives the Gardaí broad powers to ensure compliance with any regulations made. The Minister has signed regulations increasing to give Gardaí the power to enforce restrictions
- It is an offence (punishable by a fine of up to €2,500 and/or 6 months in prison) to contravene any regulation, or to obstruct, interfere or impede a person in the exercise of their powers under a regulation, or to fail or refuse to give information that is required or to give information that is false or misleading in purported compliance with a regulation..

#### Residential Tenancies

- The act set out a 3 month “Emergency Period” with respect to residential tenancies during which there will no evictions
- If termination served prior to the emergency period and termination date falls within the emergency period – a new termination date will be required
- Prohibition on rent increases
- If termination notice was issued as a result of a breach of a lease and has been referred to the Residential Tenancies Board, the termination date will not be revised in the absence of an appeal
- If a tenant fails to pay rent, the Landlord must not serve a termination notice until a period of 28 days has elapsed.

#### Other measures:

- There will be a disregard of time limits/ specified periods in respect of planning and development legislation.
- Paper prescriptions are no longer required and the electronic transfer of prescriptions between doctors and pharmacists is permitted.
- The validity of prescriptions is extended from six to nine months
- The registration process for healthcare professionals has been simplified

The government has announced other supports to include:

- **Credit Guarantee Scheme**
  - to support loans up to €1 million for periods of up to 7 years to help SMEs
- **COVID-19 Microfinancing Loans** for loans of up to €50,000 from Microfinance Ireland with no repayments required and no interest charged in the first 6 months.
- **COVID-19 Working Capital Scheme** The scheme has been expanded to €450m
- **Enterprise Supports including a Rescue and Restructuring Scheme** available through Enterprise Ireland for vulnerable but viable firms
- **Trading Online Schemes** Total available
  - is €5.6m and allows businesses to apply for
  - a second voucher of up to €2,500 where they have successfully utilised their first one.
- **Business Financial Planning Grant**
  - To the value of €5,000 to assist companies to develop a Business Sustainment Plan
- **LEAN Business Improvement Grant**
  - €2,500 Grant from to help companies quickly access expertise to review and optimise operations at a time
  - of crisis and identify the key measures needed to ensure continued viability.
- **Sustaining Enterprise Fund**
  - In the manufacturing and international services sectors, a fund of up to €180m providing repayable advances of up to €800,000
- **Competitive Start Fund**
  - Equity for early stage firms to apply for a new €750,000 Competitive Start Fund (CSF)
- **Commercial rates waiver**
  - Three month commercial rates waiver for impacted businesses.
- **Rates Shortfall Commitment**
  - The Government have made a commitment to local authorities to make up the rates shortfall in order to ensure that full services to the public can still be provided by local authorities.
- **Pandemic Stabilisation and Recovery Fund**
  - €2 billion Pandemic Stabilisation and Recovery Fund within the Ireland Strategic Investment Fund (ISIF), which will make capital available to medium and large enterprises.
- **COVID-19 Credit Guarantee Scheme**
  - This €2 billion is to support lending to SMEs for terms ranging from 3 months to 6 years, which will be below market interest rates.
- **Tax Liability Warehousing**
  - Tax liabilities will be ‘warehoused’ for a period of twelve months after recommencement of trading during which time there will be no debt enforcement action taken by Revenue.

#### – Roadmap to ease COVID-19 Restrictions

The Government have identified a five phase roadmap to ease COVID-19 restrictions and to re-open the Irish economy. Each phase is three weeks long and the first phase begins on 18 May 2020.

Phase one includes the following:

01. Outdoor meetings between up to 4 people from different households at a 2 metre distance.
02. Return to work for outdoor workers on a phased basis such as construction workers and gardeners.
03. Retailers which are primarily outdoor can re-open.
04. Retailers which were open during the first level of restrictions will re-open.
05. Certain outdoor public amenities will re-open.

#### – Government approves details of Restart Grant for Small Businesses

01. This €250 million Restart Grant will give direct grant aid to micro and small businesses to assist with reopening and reemployment costs following their COVID-19 closures.
02. To be eligible for the grant, businesses must have a turnover of less than €5 million, employ 50 people or less and the business must have been impacted by at least a 25% reduction in turnover up to 30 June 2020.
03. There will be a minimum payment of €2,000 and a maximum payment of €10,000 and will be based on the rates bill of the business in 2019.

#### – Immigration Permissions

1. There has been an extension of immigration permissions for those that were due to expire between 20 May and 20 July 2020. Such permissions will be automatically extended for two months.

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- From Monday 6th April the Companies Registration Office ("CRO") will be accepting any post delivered through An Post or using the Office's DX number.
- Delivery of documents by hand or courier is not possible at this time as the CRO offices remain closed.
- Limited services to the public including company incorporations and receipt of charges are currently being offered.
- Documentation can continue to be filed online.
- All post received will be date stamped on receipt and stored for processing when the Office re-opens.
- The Registrar of Companies has decided that all annual returns due to be filed by any Company now and up to 30th June 2020 will be deemed to have been filed on time if all elements of the annual return are completed and filed by that date. The situation will be kept under review and the date of 30th of June may be extended depending on the situation as it develops.
- The Registrar has requested companies to continue to file as normal during this period if in a position to do so. Annual returns will not be processed but stored until the CRO re-opens.
- A new interim process to allow for the filing of Summary Approval Procedures (SAPs) has been introduced to replace the normal posting of these documents that require wet signatures.
- The new process will allow for these signed manual documents and associated G1 to be scanned and emailed into the CRO using a dedicated email address: [saps@dbei.gov.ie](mailto:saps@dbei.gov.ie)

- The only documents that will be accepted into this email address are Summary Approval Procedure (SAP) declarations for SAP 203, 204, 205 and 206s and the associated Special Resolution (G1P or GM1) for that declaration, if it has not already been filed with the CRO.
- For those clients that we provide a registered office address facility to or a branch address to we will be processing any correspondence we receive for them every Wednesday. In the event that they are expecting urgent post they can get in touch with their Deloitte contact and we will endeavour to have it sent asap.
- Our dedicated website is a useful tool to enable client conversations: <https://www2.deloitte.com/ie/covid-19.html>
- Services available from 15 April are as follows and being date stamped and processed with expected delays:
  01. New Companies - submissions incorporations, change of Name, Re-Registrations being received, processed and registered via [info@cro.ie](mailto:info@cro.ie)
  02. Mortgages submissions for New Charges, for C6/C7/C17 via [cro.mortgages@dbei.gov.ie](mailto:cro.mortgages@dbei.gov.ie)
  03. Solvency submissions, companies to be dissolved up to date via [cro.solvency@dbei.gov.ie](mailto:cro.solvency@dbei.gov.ie)
  04. Enforcement submissions being to be processed when restrictions are lifted via [croenforcement@dbei.gov.ie](mailto:croenforcement@dbei.gov.ie)
  05. Post is being accepted via An Post only and is being sorted for processing in both Dublin and Carlow offices.
  06. Electronic Filing - emails being answered and dealt with through: [electronic.filing@dbei.gov.ie](mailto:electronic.filing@dbei.gov.ie)

07. Post incorporation documents - submissions for Change of Registered Office and for SAPs being received, scanned and registered. District Court applications being received and dealt with and Court Orders being received onto the system. Submissions for Annual Returns being received, scanned and will be processed at a later date. Annual return emails being monitored and dealt with through: [eb1@dbei.gov.ie](mailto:eb1@dbei.gov.ie) SAP emails being monitored and dealt with through: [saps@dbei.gov.ie](mailto:saps@dbei.gov.ie) Submissions B10, B10A, B67, B69, B77 are being received awaiting processing. Emails being monitored and dealt with through [AList@dbei.gov.ie](mailto:AList@dbei.gov.ie)
08. Digital Communications - emails being answered and dealt with through: [crocomms@dbei.gov.ie](mailto:crocomms@dbei.gov.ie) Updates available on Twitter, LinkedIn and YouTube.
09. Submissions for Business Names being received, scanned and registered. Emails being monitored and dealt with through: [eb1@dbei.gov.ie](mailto:eb1@dbei.gov.ie)
10. General queries are being monitored and dealt with through: [info@cro.ie](mailto:info@cro.ie) Postal enquiries being monitored and processed and dealt with through: [postalenquiries@dbei.gov.ie](mailto:postalenquiries@dbei.gov.ie)
11. RFS/External companies/Limited Partnerships Submissions being received, processed, registered with expected delays. RFS emails being monitored and dealt with through: [rfs@dbei.gov.ie](mailto:rfs@dbei.gov.ie) External/Limited Partnership emails being monitored and dealt with through: [ECLP@dbei.gov.ie](mailto:ECLP@dbei.gov.ie)

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## Employment law and social protection measures

The 2020 Act introduces a Temporary Wage Subsidy Scheme and makes amendments to legislation relating to lay-off and short time.

### • Short Time Work Support

This support is available to employees who have been temporarily placed on a shorter working week. The payment is made in respect of the days not worked. This support scheme is based on the number of social contributions the employee has made to date. Employees must work 3 days or less to qualify. If the employee does not qualify for this then they can apply for the Unemployment support payment.

### • Unemployment Support Payment Scheme

The Covid 19 Pandemic Unemployment Support Payment is available any employee who is laid off temporarily and/or where employer is unable to continue paying their wages. The flat rate is €350 per week for the duration of the pandemic. It is available to all employees and the self-employed. This payment support is available for 12 weeks and must be applied for.

### • Income Support Scheme

There is a Covid 19 Wage Subsidy scheme available to employers who continue to pay their employees during the current pandemic. Employers will be entitled to a refund up to 70% of the employee's net wage, up to a maximum of €410 per week.

To qualify for the scheme, employers must:

01. be able to demonstrate, to the satisfaction of Revenue, a minimum of a 25% decline in turnover
02. be unable to pay normal wages and normal outgoings fully
03. retain their employees on the payroll and
04. the employee must have been on the payroll as of 29 February 2020.

Changes to the scheme were announced on the 15 April 2020 that become effective for payroll on or after the 4 May. The scheme provides as follows:

### A. Employees with net pay less than €586 per week (€38,000 per annum)

- for those employees with previous average net pay up to €412 per week subsidy will be increased from 70% to 85%;
- for those employees with previous average net pay between €412 and €500 per week the subsidy will be up to €350 per week
- where an employer wishes to pay a greater level of top up beyond the outstanding 15% of previous pay --(in respect of employees with net pay less than €412 per week) in order to bring the employee's pay to €350 per week then tapering would not be applied to the subsidy;
- there are no changes in respect of those whose previous average net pay was between €500 and €586 per week who will continue to receive a subsidy of up to 70% of previous net income, up to a maximum of €410 per week.



## B. Employees with net pay in excess of €586 per week (€38,000 per annum)

- For employees with previous net pay in excess of €586 per week a tiered approach will apply at max of €350 per week.
- Tapering of the subsidy will apply to all cases where the gross pay paid by the employer and the subsidy exceed the previous average net weekly pay.
- The wage subsidy is now available on tiered basis to support employees where the average net pre
- COVID 19 salary was greater than €76,000 p.a and has reduced to below €76,000 p.a. and their reduction is more than 20% then a subsidy of up to €205 would be payable and if the reduction was more than 40% a subsidy of up to €350 would be payable.

### • Redundancy

Normally, once you have been laid off or put on short time hours for 4 weeks or more or for 6 out of the past 13 weeks you can claim redundancy from your employer. Such normal claims are not in place during the emergency period. Under the act you cannot claim redundancy during this period if you were laid off or put on short-time work as a result of the pandemic.

### • Illness Benefit

There is an enhanced illness benefit or supplementary welfare allowances for persons who are either required to self-isolate or who have been diagnosed with COVID-19

### • Re-enlistment

The 2020 act sets out a support in respect of the re-enlistment of former members of the defence forces.

### • Essential Services

All public offices are closed including the Probate Office, the Property Registration Authority, Immigration Office and Probation Offices. Only essential services can continue:

- Agriculture and Fishing
- Manufacturing
- Repair and installation of Machinery and Equipment for essential services
- Electricity, Gas and Water
- Construction if deemed essential
- Wholesale and Retail Trade necessary for the sale of food, beverages, fuel, medicines, medical products and devices and essential household products; takeaways and food delivery services
- Transport Storage and Communication

- Accommodation and Food Services providing essential accommodation (including homeless, direct provision and related services)
- Information and Communications
- Financial and legal activities
- Professional, Scientific and Technical activities necessary to support essential services
- Rental and Leasing Activities necessary to support the provision of essential services
- Administrative and Support Services where necessary to support other essential services:
- Public Administration and Defence
- Human health and social work activities
- Community/Voluntary Services



## Criminal law measures

- The number of Gardaí has been maximised.
- The Coroners court has adjourned all inquests and hearings.
- Physical visits to prisons are no longer allowed
- Prisoners being considered for early release or increased remission rates on sentences

Courts:

### • Supreme Court and Court of Appeal

01. Appeals that are listed for hearing will all be adjourned unless the matter is urgent.
02. All adjournment applications will be dealt with by email
03. Parties are not required to attend the delivery of judgements which will be delivered by a single judge.
04. Where possible, case management issues will be dealt with remotely unless there is a necessity for a hearing to take place.

### • High Court

01. No new cases or trials will begin even if they do not involve oral testimony from witnesses.

02. All Non Jury, Judicial Review, Chancery, Commercial and Family Law cases will be adjourned generally with liberty to re-enter.
03. Judges will be available throughout the remainder of the term to hear urgent applications. Ongoing jury trials will continue to conclusion
04. No new Jury trial will commence for the remainder of this term.□
05. Custody Sentencing cases to be dealt with as usual or by video link depending on the application.
06. Non-custody cases to be mentioned as usual and remanded to appear on date after 10th June 2020.
07. A Judge will be available to sit on each Circuit to hear urgent applications.
08. District Court Appeals to be remanded after 10th June 2020. A Judge sitting to hear urgent applications will remand/adjourn the district court appeals list to a date after 10th June 2020.
09. Family Law lists will be adjourned to a date after 20th April 2020. Parties to be advised of the adjourned dates by the Circuit Court offices.
10. Practitioners or parties do not need to attend the Family Circuit Court unless notified by order of the Court.
11. A Judge will be available to sit on each Circuit to hear urgent applications. Urgent applications to be submitted to the relevant Circuit Court Office.

12. The High Court Bankruptcy List will resume on Monday 8 June 2020.

### • Circuit Court

01. On 18 May 2020 it was announced that Judges of the Circuit Court may, at their own discretion, sit from 29 May 2020 to 9 June 2020.

### • District Court

01. Parties with non-urgent cases are no longer required to attend court.
02. The District Court will continue to hear urgent matters only in all District Court Districts throughout the country.
03. Urgent matters are criminal law – excluding cases where the accused is on bail or not in custody, family law – protection/interim barring orders, childcare law – exceptional/urgent care orders.

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## General Measures

- **Restriction of movements for natural persons**

Movements within the Region are allowed.

Movements in an Italian Region other than the one of residence is forbidden, except for proven needs of absolute urgency or for health reasons; it is in any case permitted to return to domicile, home or residence.

- **Quarantine measures for positive to Covid-19**

For these persons it is absolutely prohibited leaving their home or domicile

- **Suspension of specific events and activities**

E.g.: cinemas, theatres, dance schools, betting and bingo halls, discos; gyms, sports centers, swimming centers, wellness centers, spa centers.

- **All allowed economic and non economic activities and events**

All entrepreneurial activities and all the events (e.g. religious) may be performed only under the conditions of the HSE official protocols established – which may impact also on employment, corporate compliance etc. In case of non compliance with Protocols provisions the activity is suspended until safety conditions are restored.

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## Economic Measures

- **Suspensions of loans for SME**

Italian based SME affected by the consequences of Covid-19 are entitled to obtain the suspension until 30 September 2020 of the reimbursement of bank loans outstanding as at 17 March 2020 and in bonis. Moreover, Italian bank are not entitled to revoke credit facilities until 30 September 2020.

- **State aid for production of medical devices**

€50 million aid scheme to support the production and supply of medical devices. The support will not exceed €800,000.

- **Extension of the term to approve the financial statements**

The new term is 180 days after the end of the financial year.

- **Possibility to hold shareholders' meeting remotely.**

- **Extension of insurance policies**

The validity of civil liability insurance policies for cars and ships is extended for 30 days following the expiration, the policies expire within 31 July 2020. Moreover, the insured party can request the suspension of such policies until 31 July 2020.

- **Public guarantees for loans to SME (up to 499 employees)**

Until 31 December 2020, the State, through the guarantee fund for SME, will grant free guarantees covering the 90% of loans up to 5 million and with duration up to 72 months. The guarantee could cover the 100% of loans up to Euro 25,000, subject to certain conditions.

The amount of the guaranteed loan shall not exceed, alternatively, (i) 25% of the turnover achieved in 2019, (ii) 200% the employment costs borne in 2019, (iii) the expected costs for investments in the following 12/18 months.

- **Public guarantees for loans to medium - big companies**

The State, through the public company SACE, will offer guarantees up to a total amount of 200 billions.

The guarantees will be granted until 31 December 2020 relating to loans with duration up to 6 years and will cover:

- 90% of the loan, for companies with less than 5,000 employees and a turnover lower than 1.5bn Euro;
- 80% of the loan, for companies with more than 5,000 employees and a turnover between 1.5 and 5bn Euro;

– 70% for companies with a turnover above 5bn euro.

The amount of the guaranteed loan shall not exceed 25% of the turnover achieved in 2019 or 200% the employment costs borne in 2019.

The loans will be subject to a number of conditions, inter alia:

- the company and the other Italian companies of the same group shall not distribute dividends during 2020;
- the funds shall be used to continue and develop productive activities located in Italy;

- **Public guarantees for export credit**

The Government provides for a co-insurance system with public company SACE in order to improve the export credit for strategic export activities of Italian companies.

- **Reduction of the corporate capital for losses**

With reference to financial years closed until 31 December 2020, companies will not be obliged to reduce the corporate capital in case of losses that affect the nominal corporate capital.

- **Shareholders' loans**

The reimbursement of new shareholders' loans granted until 31 December 2020 will not be subordinated to the reimbursement of other creditors, in derogation of the normal regulation on shareholders' loans.

- **Debt restructuring proceedings**

Extension of the terms to file the court with a final restructuring proposal or to fulfill the obligations under a restructuring proceeding already finished.

- **Suspension of the creditors' right to file insolvency petitions**

The suspension applies from 9 March 2020 to 30 June 2020.

- **Golden Power**

Increase of Government's powers relating to the approval of foreign investments in Italian companies operating in strategic sectors. Inter alia, the Government could prohibit transactions that imply a change of control over such companies or approve such transaction subject to certain conditions.

### New measures approved with Law Decree 19 May 2020, No. 34

- **Outright grants to compensate losses accrued during April 2020**

Italian companies with a turnover not exceeding Euro 5 million in the last financial year are entitled to obtain an outright grant if they have suffered a reduction of their turnover during April 2020 equal to at least 2/3 of the turnover achieved during April 2019. The reduction of the turnover is not required for companies that started their business starting from 1 January 2019.

The amount of the grant is equal to a percentage of the difference between the turnover achieved in April 2019 and the turnover achieved in April 2020, as follows:

- 20% for companies with annual turnover not exceeding Euro 400,000;
- 15% for companies with annual turnover from 400,000 to Euro 1 million;
- 10% for companies with annual turnover from 1 million to 5 million.

The application to obtain the grants shall be filed with the Italian Revenue Agency, through an electronic procedure that is going to be defined.

- **Tax Credit on capital contributions**

Subjects who make a capital contribution in Italian companies or in Italian business branches of European companies in order to increase the relevant corporate capital, could benefit of a tax credit equal to 20% of the amount of the contribution, up to a contribution of Euro 2,000,000, subject to the following conditions:

- the company that receive the contribution shall have a turnover between Euro 5 million and Euro 50 million during 2019 financial year;
- the company has suffered, due to Covid-19, of a reduction of the turnover during March and April 2020 equal to at least the 33% of the turnover achieved during March and April 2019;
- the participation deriving from the contribution shall not be sold before 31 December 2023;
- the company that receives the contribution shall not distribute capital reserves until 31 December 2023.

The tax credit is not applicable to the companies that control, directly or indirectly, the company that receives the contribution or are within the same corporate group.

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The companies that receive the contributions, subject to certain conditions, can also benefit directly of a tax credit equal to the 50% of the losses registered during financial year 2020 that exceed the 10% of the net assets, up to an amount equal to the 30% of the capital contribution.

- **Public investments in major companies**  
In order to sustain and develop the Italian economic and productive system, Cassa Depositi e Prestiti S.p.A., a public company controlled by the Italian Ministry of Economy, is entitled to invest in Italian based companies with an annual turnover exceeding Euro 50 million and that do not operate in the banking, financial or insurance sector.  
The investments can include the subscription of convertible corporate bonds, capital contributions, purchase of listed shares.
- **Tax credit for the lease of commercial real estate asset or business units**  
Italian companies with a turnover not exceeding Euro 5 million in the last financial year, Italian companies operating in the hotel business and non-commercial entities are entitled to obtain a tax credit equal to:

- 60% of the amount of the rent paid for March, April and May under lease or financial lease agreements relating to business real estate assets;
- 30% of the amount of the rent paid for March, April and May under lease agreements relating to business units that include at least one real estate asset.

Provided that they have suffered a reduction of their turnover equal to at least 50% compared to the previous financial year in each month for which they request the tax credit.

- **Public guarantee in favor of insurance companies**  
SACE S.p.A., a public company, is entitled to grant a guarantee to cover the losses deriving from insurances policies on commercial receivables accrued from 19 May 2019 and 31 December 2020.
- **Incentives for innovative Startup**  
The Government provided for new incentives in favor of innovative startup, including, inter alia, outright grants in order to acquire services from innovation hubs, business angels and other operators that support the development of

innovative startup.

The Government also increased the fund for venture capital of Euro 200 million for 2020, in order to promote the investments in innovative startup.

- **Fund for technologic innovation**  
The Government allocated a new fund for technology innovation, for an amount equal to Euro 500 million, with the aim of supporting the technologic innovation of Italian companies.  
The funds will be managed by the Ministry of Economic Development and ENEA, the National Agency for new technologies, energy and sustainable development.
- **Fund for the restructuring of Italian companies**  
The Government allocated a new fund for the restructuring of Italian companies that hold historical Italian brands or other companies with more than 250 employees. The fund will be entitled to acquire equity holdings in such companies. The procedures to manage the funds will be defined by the Ministry of Economic Development.



## Employment law and social protection measures

- **Smart working**  
The emergency law introduces significant simplifications on the activation of smart working (applicable to the whole national territory). In particular smart working can be activated without (as ordinary request instead) an individual agreement and/or a company regulation (until the end of the emergency phase 31/07/2020 as of today and, in any case, not over 31/12/2020). The information obligations relating to health and safety related to smart working can be fulfilled by means of a simple standard information notice (a template of which is available on the INAIL website) to be sent via e-mail to the involved employees. Smart-working becomes a right, until the end of the emergency phase, for employees who have at least one child under the age of 14 if:
  - the relevant tasks are compatible with Smart Working;
  - there is no other parent in the household who benefits from income support instruments in case of suspension or termination of work;
  - there is not other non-working parent.
- **Dismissals: suspension of terms**  
As from March 17th, 2020, the collective or individual dismissal procedure for economic reasons are precluded, until August 17th, 2020. During the same period the pending procedures started after 23 February 2020 are suspended (no dismissal for objective reasons can be issued), with the exception for individuals, already employed within a service agreement, who have been re-hired by a new contractor according to law, NCBA or pursuant to a specific clause of the relevant service contract. In addition, the employer, who in the period from February 23rd, 2020 to March 17th, 2020 dismissed for objective reasons, could revoke the dismissal at any time if at the same time he applies for social shock absorbers, from the date on which the dismissal took effect. The employment relationship, then, shall be deemed to have been restored without interruption, without charge or penalty
- **Allowance for professionals, autonomous workers and seasonal tourism workers**  
The emergency law introduced the right to an indemnity, for the months of March

and April 2020, equal to 600 Euro, excluded from the income computation for tax and social security purposes, in favour of several professionals, autonomous workers, self employees and seasonal tourism workers. The same indemnity has been granted also to professionals enrolled to other private insurance fund (e.g. Cassa Forense for lawyers). For the month of May 2020, if specific requirements are met, the amount of the relevant indemnity may be equal to Euro 1000, it to be paid only to autonomous workers and seasonal tourism workers.

- **Temporary Suspension of employment**  
To cope with the Covid-19 emergency (an with possible closure or reduction of the business) employers are allowed, at certain conditions, to suspend the employment relationships in place with their workforce, not bearing the relevant costs, through three types of "shock absorbers".

In particular, such legal means to suspend employment relationships ordinarily exist, but they have been extended and simplified in the emergency context.

The applicable "shock absorbers" within the three can be identified on the basis of mainly two index:

- number of employees;
- sector of activity.

In short, these tools imply that the compensation of suspended employees is not paid anymore by the employer. The employees involved, instead, for the working time not performed due to the suspension receive an economic indemnity by the Social Security Authorities (in a range around Euro 1.000 gross for full time employees). The procedures slightly differ from one business sector to another and depending on the relevant geographical area, but in general (specific rules can be applicable to specific cases):

- the request of "shock absorber" implies a consultation process with Trade Unions (even via conference call);
- It implies also of submit the request online on the proper payroll platform; an application has to be filed;

- the suspension can last up to 9 weeks, in a period up to August 31st, with the possibility of an additional period of 5 weeks if all the previous 9 weeks have been fully used. After this period, if necessary, a maximum of 4 more weeks can be requested, until October 31st, 2020.
- Executives are excluded.

- **Bonus for working at employer premises**  
For March the employees who performed working activity not in smart working are entitled to a bonus equal to Euro 100, excluded from the income computation for tax and social security purposes, to be calculated on the basis of the actual days of work not in smart working.

- **Leaves and indemnities for employees, workers enrolled to "gestione separata" and autonomous workers**  
For the year 2020 and with effect from March 5th and until July 31st, 2020, due to the closure of schools, the emergency law recognizes the possibility for parents that are employees, to enjoy a continuous or fractioned period of leave (e.g. not exceeding 15 days, to assist children not older than 12 years, with the right to an allowance equal to 50% of ordinary salary). This leave is also granted to workers enrolled with the "gestione separata" and autonomous workers (who will be respectively entitled to an indemnity, for each indemnifiable day, equal to 50% of 1/365 of income equal to 50% of the conventional salary annually established by law).

Moreover, the paid leave pursuant to Law 104/92 have been extended to further twelve days for May and June 2020.

As an alternative to the above, the same beneficiary employees may opt for the payment of one or more bonuses for the purchase of baby sitting services (including summer campus and other supplementary services for children) up to an overall and maximum limit of Euro 1200 (if not yet enjoyed of the Euro 600, bonus provided by the Law Decree "Cura Italia"), which is also granted to self-employed workers not registered with INPS.

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- Fixed-term employment contracts**  
 Employers who have access to social shock absorbers are allowed - as an exception to the general provisions of Legislative Decree no. 81/2015 (referring to stop&go period between two fixed term contracts and to the possibility to renew a fixed term contact where a suspension of the relevant working activity is in place) - to renew or extend fixed-term contracts, within the same period of the social shock absorber, also for temporary work agency contracts. Moreover, in order to manage the re-start of activities due to the COVID-19 pandemic, the emergency law allows the possibility to renew or extend, until 30/08/2020, the fixed-term employment contracts existing as at 23/02/2020 even in the absence of the reasons set out in Article 19, paragraph 1, of Legislative Decree no. 81 of 15 June 2015
- Quarantine**  
 The period spent in quarantine/fiduciary home stay ordered by the public health authority (an not ordered by employer as precautionary means) is equivalent to illness for the purposes of the economic treatment provided for by the relevant legislation and cannot be counted for the purposes of the period during which

the ill employee has the right to maintain employment relationship. During this period, to the employee must be guaranteed the economic and regulatory treatment provided for by the collective agreement applied to the employment relationship for periods of illness.

- New skills fund**  
 In order to allow the gradual recovery of the business after the epidemiological emergency, for the year 2020, collective labour agreements at territorial or company level may regulate the re modulation of working time due to the change of company's organizational and productive needs (part of working time is aimed at training programs).
- Unemployment allowances**  
 The emergency legislation extended the deadlines for submitting applications for unemployment allowances such as NASpl, DIS-COLL and agricultural unemployment and for receiving the relevant economic treatment (if in compliance with other allowances/indemnities provided for in the emergency legislation).

- Regional aids to employers**  
 Regions, Autonomous Provinces, other territorial authorities, Chambers of Commerce may adopt aid measures, from their own resources in order to contribute to the wage costs, including contributions and social security contributions, of enterprises, including the self-employed, and in order to avoid dismissals during the COVID-19 pandemic. Theabove aids shall be awarded for a period not exceeding 12 months, for employees who would otherwise have been made redundant as a result of the suspension or reduction in business activities due to the COVID-19 pandemic and provided that the employees benefiting from the aid continue to work continuously throughout the period for which the aid is granted. The monthly wage subsidy shall not exceed 80% of the gross monthly salary (including employer's social security contributions) of the beneficiary employees.



## Criminal law measures

- Quarantine measures for positive to Covid-19**  
 Failure to comply with quarantine by those positive at Covid-19 entails criminal penalties: imprisonment from 3 to 18 months and payment of a fine from €500 to €5,000, with no possibility of oblation. In addition, violating the quarantine and leaving the house spreading the disease can lead to reporting serious crimes (epidemic, murder, injury), punished with severe penalties, which can go up to life imprisonment.
- Restriction of movements for natural persons**  
 For those who violate the measures to contain the epidemic, an administrative

penalty in cash (from 400 to 3,000 euros) is foreseen. If the violation occurs through the use of a vehicle, the penalties can be up to 4,000 euros. In the event of recidivism, the financial penalties are doubled (i.e. from 800 to 6000 euros or 8,000 euros if committed through the use of a vehicle)

- Suspension of specific events and activities**  
 In cases where the infringement is committed in the exercise of a business activity, the accessory administrative sanction of closure of the business or of the activity from 5 to 30 days shall also apply



## Next Steps

Final approval (with possible integrations/amendments ) of the provisions hereby described when enforced by Government as Law Decrees which, according to Italian law, require confirmation from the Parliament within 60 days.

- Restriction of movements for natural persons**
- Measure valid till 2nd June 2020. Starting from 3rd June 2020 movements may be limited only with reference to specific areas.

- Suspension of specific events and activities**  
 Gyms, sports centers, swimming centers, wellness centers, spa centers allowed starting from 25th May.  
 Cinemas, theatres, dance schools, betting and bingo halls, discos should be allowed starting from 15th June 2020

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## General Measures

### The second phase of the “plan to return to normality” has begun

On 30 of April 2020, the Ministry of Health published the plan to return to normality, where 3 phases were foreseen. The first phase which was in effect from 4th of May has been deemed successful by the Government of Kosova, and as such on 18th of May the second phase of the “plan to return to normality” has begun. In this phase the following measures are in force:

01. The circulation of citizens and residents shall be based on the epidemiological situation (currently the citizens of Kosova may **circulate in two times during the day**;
02. Museums are allowed to continue with their activities;

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## Economic Measures

### Decision regarding the suspension of the interest rate and fines for the immovable property tax.

On the 5th of May 2020 the Ministry of Finance and Transfers rendered a decision, suspending the interest rate and any fines that may be incurred for the nonpayment of the tax on immovable property. This suspension is valid until the 31st of December 2020.

- Businesses that are allowed to operate in the second phase  
Based on Decision of Ministry of Health dated 30 April following business are allowed to operate:

01. Retail has continued their activities fully;
02. Dentists and Physiotherapists have resumed their activities;
03. Hairdressers and Hair Salons;
04. The Green market has opened;
05. Culinary services (takeaway) has begun;
06. Railway transportation has resumed;
07. Urban and Interurban transport is allowed to continue (with special permits);
08. Call centers may continue with their activities (essential staff only);

### Ordinance No. 01/08 of the Ministry of Economy, Employment, Trade, Industry Entrepreneurship and Strategic Investments regarding the continuation of economic activities during the public health emergencies.

According to this ordinance the complexes comprised by units (operators allowed to work as per phase 2) that share open environment, including gardens, squares, bazars and similar environments are allowed to operate, excluding shopping malls.

The operators which are allowed to operate must fulfill following healthy and safety measures:

- A. Ensure that groups of crowds do not stand in front of the entrance of the complex or the units;
- B. To disinfect the common spaces of the complex every two hours;
- C. To ensure that on every entrance the proper equipment for checking the temperature of a person;
- D. To ensure the disinfection of hands for persons in the entrance of the complex/units;
- E. If they can, to distribute gloves and masks to persons who do not possesses such protections;
- F. To not allow persons with: raised temperatures, those who do not poses gloves and masks and those who refuse to disinfect their hands, inside the complex.
- G. ) To encourage the units within the complexes to avoid payment with cash, and promote electronic payment (i.e. credit cards).

If there is no single responsible party for the complexes, then each unit shall be responsible for the implementation of these rules (independently and as a group).

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## Employment law and social protection measures

### Decision for the continuation of the training process of the Football League of Kosova

On 18th of May 2020 the Ministry of Health has rendered the decision for the continuation of the training process of the Football League of Kosova.

This decision was based on the National Institute of Public Health in Kosova and the World Health Organizations office in Kosova where both institutions concluded that the risk presented by COVID-19 has been reduced. This decision has entered into power on 18th of May 2020.

Nevertheless it does not address the date of the beginning of the league/

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## Criminal law measures



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### The third phase of the “plan to return to normality”.

This is the last planned phase devised by the Government of Kosova. If there is no increase in the public health risk, this phase shall be implemented on 1st of June 2020.

This phase is comprised by the following measures:

01. The circulation of citizens shall be based on the epidemiological situation;
02. The urban and interurban transport shall be allowed;
03. Taxi Services are allowed to continue their activities;
04. Gastronomy in general will continue their activities;
05. Exams in Higher Education shall be allowed, as well as the Achievement test;
06. Cinemas and theaters will open;
07. Lastly, selective opening of sports activities;

The opening of borders, airports, spa facilities, trading fairs, swimming pools, nightclubs as well as the holding of weddings and other parties will be reassessed during phase three





## General Measures

- Government extended Quarantine at least until 31st of May.
- Shops, commercial and/or entertainment centers, markets and service providers must ensure safety measures while operating (limit of customers at the same time, face masks, etc.)
- Operation of SPAs and gyms are prohibited.
- Restaurants and bars reopened fully since May 18, with requirement to maintain 2 m distance among customers.
- Municipalities are given the rights to prohibit hotels' operations.
- All the air and sea transportation of passengers to and from Lithuania is

prohibited unless the carrier has special authorization.

- Residents of Latvia and Estonia are allowed to enter Lithuania without 14 days quarantine. The same rules apply for Poland residents, but only for travels for business or study reasons.
- More info and updates: <https://www2.deloitte.com/lt/en/pages/legal/articles/covid-19-crisis--guidelines-and-restrictions.html>

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## Economic Measures

- Tax credits by deferring or setting out the fees on an agreed schedule without interest are being granted;
- Recovery actions for tax debts are suspended on the basis of reasonability criteria;
- Taxpayers are exempted from fines. Personal income tax payment and health insurance tax payment are postponed for self-employed persons;
- State guarantee up to 80% for extension of loans' maturity terms, amendments in the payments schedule, payment deferral for restructuring of loans that happens after 16th of March;
- 100% compensation of interest (up to 7% per annum) arising due to payment deferral (up to 6 months) under loan or financial leasing agreement;
- Preferential loans is available for affected businesses to maintain their liquidity in cases when companies have a clean credit history and turnover has dropped more than 60%
- Measures to boost economy:
  - SMEs can apply for loans to pay bills to suppliers with whom companies have been unable to account due to suspended activities
  - SMEs that have difficulties with coronavirus will be able to apply for loans to maintain liquidity Funding will be provided within one day.

- the COVID fund is operational since 15th of April for medium and large enterprises in temporary difficulties. The emerging fund will help to ensure the liquidity, access to finance and enable businesses to recover more quickly
- The fund for state guarantees issued for business loans is more than doubled so the financing of businesses would continue
- COVID-19 mitigation fund was established where legal and natural persons can donate funds;

- The Bank of Lithuania was recommended to take regulatory measures for credit institutions in order to achieve the bank's lending potential of EUR 2 billion.

#### • Vilnius city municipality:

- Will return fees that were paid this year to outdoor cafes, shops and kiosks;
- Exempted tenants from rent and real estate taxes;
- Plans to give payouts to residents up to 975 EUR if income per person is less than 375 EUR.

- Subsidies for micro-enterprises that have 1 to 9 employees, are included in the lists of COVID-19 affected companies and paid personal income tax (PIT) in 2019. The subsidy is calculated according to the amount of PIT paid by the company in 2019 and amounts to 50% of it (but no less than EUR 500).

- More info and updates: <https://www2.deloitte.com/lt/en/pages/legal/articles/covid-19-crisis--measures-for-business.html>

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## Employment law and social protection measures

- The State shall contribute, jointly and severally to three months, to the employers' efforts to preserve jobs by covering partial downtime or downtime in proportion to workers. The worker must be guaranteed at least a minimum monthly salary. The share of public funds is 70% but no more than EUR 910.5 and 90% but no more than EUR 607 for employers operating in sectors which operations are prohibited during quarantine. Employers that receive funding are obligated to keep at least 50% of jobs for at least 3 months after quarantine ends.
- Self-employed persons who do not have tax debts prior to the declaration of quarantine shall receive a fixed amount of EUR 257 plus amount of health insurance fee per month. More info (and updates): <https://www2.deloitte.com/lt/en/pages/legal/articles/covid-19-crisis--employment-law-in-lithuania.html>
- Sickness benefits for carers and persons with disabilities are available when establishing a restrictive regime for the spread of infections in educational establishments or social care and employment centers.

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## Criminal law measures

- Fines for spreading virus, inobservance of quarantine regime, breach of occupational health safety have been increased in the Code of Administrative Offenses;
- Amendment in Criminal Code - Persons, who know they are infected with COVID-19 and does not comply with restrictions may be imprisoned for up to one year.

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- May 25th: It is allowed to carry out primary education and provide educational assistance to students, as well as to organize counseling at school.
- May 25th:renew regular air services with Norway - from Alesund and Bergen to Kaunas and from Sandefjord to Vilnius.
- May 30th: events in open and closed spaces with a maximum of 30 participants are allowed.
- Proposal - to allow holding events in open spaces from June 1 with 300 participants, from June 16 - 500, from July 1 - 700, from July 16 - 900 participants.
- Proposal - Indoor spaces from June 1 to allow events with 100 participants, from June 16 to 150, from July 1 to 200, from July 16 to 250, from August 1 to 300, from August 16 to 350 participants.



# Netherlands



## General Measures



## Economic Measures

### NOW-program

The Dutch government have implemented a temporary salary compensation program (called 'NOW') for employees for reduced businesses up to 90% of salary costs. All private companies are eligible, but have to prove they have a significant reduction in expected business of at least 20%. The compensation depends on the drop in turnover:

- if 100% drop, the allowance amounts to 90% of the employer's salary roll;
- if 50% drop, the allowance amounts to 45% of the employer's salary roll;
- if 25% drop, the allowance amounts to 22.5% of the employer's salary roll.



## Employment law and social protection measures

### NOW-program

- Specific requirements have been included in the NOW-program. Amongst others:
  - Companies should in principle apply for one collective subsidy on group level (= all Dutch group companies + foreign group companies which employ employees who are insured in the Netherlands for social security purposes). A subsidy will only be granted if the drop in turnover in a specific 3-month-period is at least 20%.
  - Companies can apply for individual subsidies on the entity-level if the drop in turnover of the group is less than 20% but the drop in turnover of an individual entity is at least 20%. Specific conditions apply to the subsidy application on this level, such as a declaration that no payment of dividend or bonuses

will take place in 2020 up to and including the date of the AGM in 2021, that no share buybacks will take place in that period and that an agreement has been concluded with the unions or employee representative body concerning employee retention. Furthermore, applications cannot be submitted by personnel companies. Entities that are part of a group but file their applications individually, must apply the same turnover period as the other group entities that file individual applications. Certain other strict conditions apply as well.

- Employers applying for the NOW-subsidy are penalized when applying for employee redundancy based on economic grounds during the duration of the compensation program. If employers do so anyway, 150% of the wages of the employees for whom applications for redundancy have been submitted will be deducted from the subsidy to be received;

- The subsidy also applies regarding employees for which the employers do not have a continued payment of wages obligation (e.g. a zero-hours contract);
- If the wages include employees who are insured in the Netherlands for social security purposes, the subsidy can be applied for. Hence, this may include seconded workers/expats who are insured in the Netherlands for social security purposes. The subsidy does not apply to seconded workers/expats who continue to be insured for social security purposes in their country of origin (through an A1 Statement/Certificate or Coverage);
- Employers have the obligation to inform the works council or PVT and - in the absence thereof - the employees about their NOW applications.



## Criminal law measures



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#### Temporary Legislation (the “Corona Act”)

- On 21 March 2020, the Norwegian Parliament adopted temporary legislation that authorizes the Government to carry out necessary and proportionate adaptive measures for a limited period to address the effects of the coronavirus. The act was extended by the Parliament on April 24, 2020, and will now be automatically repealed on May 27, 2020.
- One third of the Parliament can block any decision the Government takes. The draft legislation does not weaken the courts’ independence. The independence of courts and judges is protected by the Constitution.

#### Restrictive measures

- Originally, a wide range of municipalities adopted local quarantine regulations in order to limit the national spread of the Corona virus in their region, with a basis in the Norwegian Diseases Protection Act (“Smittevernloven”).
- To ensure proportionality and coordination between national and local measures the government has specifically asked municipalities to avoid the following, based on the situation today:
  - Measures that affect critical social functions, as defined in them at all times applicable national regulations
  - Measures affecting public service and public administration, including child welfare
  - Measures affecting transit without residence in the municipality
  - Measures that affect children with shared housing and thus disproportionately intervening with family life
  - Measures affecting people who cross municipal boundaries while traveling between homes and workplaces, and between different workplaces, and which prevents employees from keeping their jobs and that employers are still guaranteed access to their labor force.
  - Measures affecting the transport of goods (by road, sea or rail or in the air)
  - Measures of importance for keeping production in business, among other things maintenance, repairs, supply lines, specialized services, etc.
- Certain businesses have been temporarily placed in lockdown due to national or local regulations, as well as kindergartens, schools and universities. Kindergartens was reopened again during the period of April 20 – 27, 2020. Schools and after-school activities will gradually open for children in 1st to 4th grade from April 27, 2020. High schools students in the final years of vocational studies may again go back to their studies, under the condition that this is done in a way consistent with prevailing disease protection recommendations. Universities and other higher studies was reopened on a limited basis from April 27, 2020.

#### Government support measures

- Norway has ample room for maneuver in economic policy in response to the Covid-19 pandemic. The Norwegian sovereign wealth fund (Government Pension Fund Global – GPF) provides a sizeable fiscal buffer. It is designed for the long term, but in a way that makes it possible to draw on when required. A fiscal policy rule governs how much can be transferred from the fund to the fiscal budget. The rule is prudent, but flexible. The fund and the fiscal rule thus enables the government to provide fiscal stimulus when needed.

#### Health and Safety

- On 12 March 2020, the Norwegian Government introduced a series of measures in the hope of stopping the spread of the virus. The top priority was to ensure that those who become seriously ill, whether from the coronavirus or other causes, can get the help they need in the health service – and that the health service does not become overloaded.
- People must maintain physical distance from one another, practice good hand hygiene and cough in paper tissues or their elbow.
- Social distancing rules: you should maintain a distance of two meters from other people, except those you normally live with. In shops and pharmacies where this can be difficult to do, people should keep at least one meter apart.
- You should avoid being in a group of more than five people, unless they are people you normally live with.
- You are urged to avoid public transport and unnecessary leisure travel.
- The health authorities recommend working from home as far as possible. You should discuss this with your employer.
- No visitors are allowed at nursing homes and other institutions for vulnerable groups.
- Most bars, restaurants and other establishments serving food and drink will remain closed, except those that serve food, are able to ensure that a distance of at least two meters is maintained between customers and personnel, and can meet basic infection control requirements.
- A number of public services will remain closed, including passport offices, administrative services for the public provided by the police, libraries, etc.
- Stricter border controls are being maintained, and foreign nationals who do not have a residence permit in Norway will continue to be refused entry at the border.
- The Ministry of Foreign Affairs advises against travel to all countries unless strictly necessary. Rules for quarantine upon entering Norway from abroad (travel quarantine) has been put in force, as have rules for rejection at the border of foreign nationals who do not live or work in Norway, with specific border control of the internal Schengen borders.
- Quarantine and isolation rules applicable after contact with an infected person (infection quarantine) imply that if you have been in close contact with someone who has been shown to have the coronavirus, you shall undergo quarantine for 14 days. If you have travelled abroad, you shall undergo quarantine for 14 days from the day of your return home. If you have been diagnosed with the coronavirus or are being tested for it, you must be isolated. This means you must remain home at all times and not go out. If the test is negative, you shall complete the quarantine period.
- Healthcare professionals working in patient care are prohibited from travelling abroad. This prohibition applies to both professional and private travel, with effect, for now, through April 2020.
- Fitness centers, swimming pools, water parks and similar establishments are to remain closed.
- Public transport services are to remain in operation.



### Measures to support business in general

- The Norwegian government has passed a number of temporary national regulations as a consequence of the Covid-19 outbreak, hereunder the (i) State Guarantee Loan Scheme Act, (ii) Financial Bond Fund Act for large businesses, (iii) Temporary Grant Scheme Act for businesses that have experienced a dramatic fall in turnover, and (iv) Temporary Reconstruction Act to remedy businesses in financial problems (to be ratified). Other measures put forward by the Government includes amendments to the Contributory Pension Schemes Act, the Company Pensions Act, the Public Service Pensions Act, the Insurance Contract Act and the Tax Payment Act. In addition, there has been made a number of petition resolutions by the Parliament for actions and initiatives to be made by the Government.
- The Norwegian government has introduced significant measures to support jobs, help businesses and people, and strengthen health services. Still, more may be needed in the coming weeks. The measures are meant to be targeted, effective and reversible.
- The fiscal measures so far add up to over NOK 139 billion, corresponding to around 4.6 percent of Mainland GDP. In addition, the budget is estimated to be weakened by more than NOK 60 billion by reduced tax revenues and higher expenses due to the economic downturn (automatic stabilizers). Overall, the oil-adjusted budget balance is estimated to be weakened by NOK 201 billion in 2020. Reduced key interest rates also contribute to household- and corporate liquidity through lower debt servicing costs.
- Citizens of EU/EEA countries may enter Norway without a residence permit if they are to work in a sector where there is a critical need for labor. Workers from a EU/EEA country who are to start a job in sectors including agriculture, horticulture, forestry and the food industry are not to be refused entry to Norway.

### Measures aimed at commerce and industries

- A state guarantee scheme for bank loans to enterprises, with a total guarantee

volume of NOK 50 billion. The state guarantees 90 per cent of each bank loan. Entered into force on March 27, after approval by the EFTA Surveillance Authority.

- A government bond fund with an investment budget of NOK 50 billion to increase liquidity and access to capital in the Norwegian bond market.
- A compensation scheme for otherwise sustainable businesses with at least 30 percent drop in revenue due to the virus outbreak. The amount of support will depend, among others, on the size of revenue loss, the size of the enterprise's unavoidable fixed costs and whether the enterprise has been ordered by the government to close.
- Improved legal restructuring process and refinancing for companies with financial problems to prevent otherwise viable companies that are now experiencing acute revenue failure going bankrupt without having a real opportunity to negotiate restructuring.
- A reduction in employer-paid days from 15 to 2 for temporary lay-offs, from 10 to 3 for care-related leave and from 16 to 3 for corona-related sick leave.
- Allowing loss-making companies to re-allocate up to NOK 30 million of the loss in 2020 against taxed surplus from 2018 and 2019 and refunding the tax value of this loss in 2020.
- Postponing deadlines for payment of value added tax, employer tax, advance tax for self-employed and companies, and several exercise taxes, including CO2
- Reduction of the low VAT rate, which includes passenger transport, accommodation and parts of the cultural sector, from 12 to 8 per cent.
- Suspension of the tax on air passengers, for flights in the period from 1 January until 31 October 2020. Suspension of payments of aviation charges.
- Purchase of domestic air routes where there is no basis for commercial operations due to the crisis. Budget allocation of NOK 1 billion.
- An aviation guarantee scheme totalling NOK 6 billion, with a 90 percent government guarantee on each loan. NOK 3 billion is directed to Norwegian Air Shuttle, 1.5 billion to SAS and 1.5 billion to Widerøe and other airlines.

- Temporary purchase of basic rail transport services (NOK 550 million)
- Increased funding for Innovation Norway and the Research Council by a total of more than NOK 3 billion, and NOK 1 billion increased investment capital in Investinor.
- A compensation scheme of NOK 1 billion to pre- and after school cares and day cares.
- A compensation scheme of NOK 900 million for culture, sport and voluntary sectors.
- Increased borrowing limit in Innovation Norway's loans scheme by NOK 1.6 billion.

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### Measures aimed at persons

- An extension of the unemployment benefit scheme by granting benefit from the first day and increasing the daily allowance.
- Temporary laid off persons are guaranteed 100 per cent compensation until a salary of NOK 599,148. The schemes for temporary laid off and unemployed are also adjusted to include more people.
- A temporary scheme to secure self-employed and freelancers who are not included in the unemployment benefit scheme and to give self-employed and

freelancers sickness benefit from day four.

- Temporary benefit for apprentices in case of unemployment or temporary layoff.
- Skills development measures to improve the skills of unemployed and laid-off persons.
- A temporary benefit scheme based on social assistance rates for persons outside the EU/EEA area staying in Svalbard.
- A doubling of the number of days parents can stay home with sick children, and

allowing transfer of days between co-parents.

- Entitle self-employed and freelancers to the same number of sick-kids days as employees, less a three-day waiting period.
- Increase access to loans for students who have lost work income. NOK 1 billion is allocated to convert some of that supplement loan into a grant.
- Suspension of parents' pay for pre- and after school cares and day cares during the period they are closed.





- As criminals and others are trying to exploit the COVID-19 crisis, the Government has allocated NOK 5 million to the Norwegian National Security Authority (NSM) to strengthen the warning system for digital infrastructure by purchasing more sensors for use in critical sectors and organizations.
- The police are a crucial part of Norway's emergency services, and the police plays an important role in enforcing measures to prevent the spread of infection. An allocation of NOK 232 million has been provided for the recruitment of up to 400 people to undertake active service with the police. The people recruited will have completed their police training, but are not currently working in the police. They will be employed for a period of six months, with the possibility of an extension to up to a year in total.
- Fast-track security clearance of personnel is becoming increasingly necessary because of the need for more people with police training and because many employees in other organizations that fulfil critical public functions are either in quarantine or on sick leave. In order to address this situation, the Government is providing an additional allocation of NOK 7 million to the Norwegian Civil Security Clearance Authority.

- In addition to these measures, a number of ministries are drawing up regulations under the new Corona Act.

A temporary regulation with regards to carrying out sentences was passed on 27th of March, which inter alia entails the following exceptions from the regular criminal law codes:

- Prison visits:
  - The Prison and Probation Service can refuse visits if required for sick leave reasons or if visits cannot be conducted in a manner that is consistent with prevailing health rules.
  - If it is necessary for the inmate to have contact with family through remote communication, the Prison and Probation Service shall attempt to make such communication available.
  - A visit from a lawyer or representative from public authorities can only be denied if it cannot be carried out in a way that is consistent with prevailing health rules.
- In-home detention with electronic control measures:
  - The possibility to carry out sentences outside of prison with electronic control measures is extended to 6 months, against of normal of 4 months.

- For probation releases:
  - The regulations allow for a release of a convict on the condition that the probation period is carried out through electronic control measures. Such probation release is only applicable if the convicted consents.
- Prison sentences:
  - According to the regulations, the Prison and Probation Service can decide that the sentence to be carried out suspended for up to one month with an option to renew such suspension if capacity challenges so requires.
  - Suspension means that the convicted is released for a period, and then come back to carry out the remainder of the sentence when the pandemic is over

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### Some of the key measures to remain in effect (may be extended)

- The Corona Act that authorizes the Government to carry out necessary and proportionate adaptive measures for a limited period to address the effects of the coronavirus will automatically be repealed after May 27, 2020.
- The strict hygiene measures remain in place. People must maintain physical distance from one another, practice good hand hygiene and cough in paper tissues or their elbow.
- Social distancing rules: you should maintain a distance of two meters from other people, except those you normally live with. In shops and pharmacies where this can be difficult to do, people should keep at least one meter apart.
- You should avoid being in a group of more than five people, unless they are people you normally live with.
- You are urged to avoid public transport and unnecessary leisure travel.
- The health authorities recommend working from home as far as possible. You should discuss this with your employer.
- No visitors are allowed at nursing homes and other institutions for vulnerable groups.

- Most bars, restaurants and other establishments serving food and drink will remain closed, except those that serve food, are able to ensure that a distance of at least two meters is maintained between customers and personnel, and can meet basic infection control requirements.
- A number of public services will remain closed, including passport offices, administrative services for the public provided by the police, libraries, etc.
- Stricter border controls are being maintained, and foreign nationals who do not have a residence permit in Norway will continue to be refused entry at the border.
- The Ministry of Foreign Affairs advises against travel to all countries unless strictly necessary. Rules for quarantine upon entering Norway from abroad (travel quarantine) has been put in force, as have rules for rejection at the border of foreign nationals who do not live or work in Norway, with specific border control of the internal Schengen borders.
- Quarantine and isolation rules applicable after contact with an infected person (infection quarantine) imply that if you have been in close contact with someone who has been shown to have the coronavirus, you shall undergo quarantine for 14 days. If you have travelled abroad, you shall undergo quarantine for 14

days from the day of your return home. If you have been diagnosed with the coronavirus or are being tested for it, you must be isolated. This means you must remain home at all times and not go out. If the test is negative, you shall complete the quarantine period.

- Healthcare professionals working in patient care are prohibited from travelling abroad. This prohibition applies to both professional and private travel, with effect, for now, through April 2020.
- Fitness centers, swimming pools, water parks and similar establishments are to remain closed.
- Public transport services are to remain in operation.





The Polish law introduces i.a. the following major solutions:

### Entering Polish territory:

- There are full checks on all external borders and international flights and trains are suspended. The full checks on external borders are prolonged until 14 June;
- Foreigners are not allowed to enter Polish territory, however the following categories of foreign nationals will be still allowed to enter Polish territory despite entry ban:
  - Foreigners being spouses or children of Polish nationals,
  - Holders of Card of Pole (Karta Polaka),
  - Diplomats and members of the diplomat and consular service including their family members,
  - Foreigners holding right for temporary or permanent stay in Poland (valid residency card must be in place),
  - Foreigners who are authorized to work in Poland under same rules as Polish nationals,
  - Foreign employees holding right to work in Poland which can be documented by work permit, seasonal work permit or statement on intension to hire foreigner (oświadczenie o powierzeniu pracy),
  - Other foreigners whose entry into Poland is justified for valid reasons – to be decided by the Border Guards,
  - Drivers (if on duty) of means of transport aimed at transportation of passengers or goods.

### Quarantine

The latest Government Regulation dated on 31st March introduced more restrictive conditions for quarantine:

- 14 days quarantine is obligatory not only for all individuals crossing Polish border to place of residence but also for all persons living together with this individual (this obligation does not apply to some persons performing professional activities such as drivers/ship crew/cabin crew);
- An individual is obliged to provide the Border Guard with an information about their telephone number and address of their residence the quarantine;
- It is also required to provide State Sanitary Inspection number with the information about the names and social security numbers of the persons living together with an individual.

### Commuting restrictions

The latest government regulations extended restrictions in commuting:

- Some sports facilities are opened. Increase the number of people practicing in outdoor sports facilities and enable activities in indoor facilities. Football league games will resume on 29 May, and the speedway competitions on 12 June;
- It is mandatory to cover your mouth and nose in public places;
- It is generally forbidden to commute except e.g. in order to go to work, satisfy the necessary day-to-day needs, performing voluntary and unpaid services to counteract the effects of COVID-19;
- It is obliged to keep distance of 2m between pedestrians (this restriction does

not apply to situations when it is necessary to take care of a child under 13 years old or the disabled people is necessary);

- There are limitations in means of public transport (limited number of passengers per one vehicle) – the limit of passengers has been increased;
- Public gatherings are generally prohibited (with some exceptions);
- City bikes are banned from using;
- Parks, boulevards, promenades, boardwalks, and other commons are opened.

### Education:

- Activities at schools, kindergartens, nurseries and at higher education institutions are suspended till 26 June 2020.
- Online teaching is introduced in case of both schools and universities - planned restoration from 25 May of activities at universities for students in their final years and activities that cannot be performed remotely, restoration of stationary activities for primary education in schools from 25 May 2020;
- Organization of small childcare groups in nurseries, kindergartens - for working parents.

### Good and services:

- There is a ban on export/transfer of some medical equipment (e.g. respirators);
- An obligation to report an intention to export/transfer some medical equipment is imposed (e.g. surgical masks, latex gloves);
- Restaurants, cafes and bars – are opened under strict sanitary regime: 1 person per 4m<sup>2</sup>, 2m distance between tables, 1.5m distance from guests sitting at separate tables;
- Gyms, swimming pools, dance clubs, fitness clubs are closed. Some cultural institutions such as libraries, museums and art galleries are opened.
- All hotels are opened under strict sanitary regime but without swimming pools and gyms;
- Restrictions on the operation of shopping centers - under strict sanitary regime;
- Performing rehabilitation services are allowed;
- There are restrictions concerning religious activities: 1 person per 10m<sup>2</sup> can take part in these activities;
- Sale of building materials in trade objects over 2k m<sup>2</sup> in which mostly these goods are sold is allowed also on Saturdays and Sundays;
- Introduction of additional restrictions in trade:
  - limit of 4 persons per one cash desk/market stand is imposed in shops of a surface area of less than 100 m<sup>2</sup>; 1 person per 15 m<sup>2</sup> in shops of a surface area of more than 100 m<sup>2</sup>
  - between 10:00-12:00 AM only persons over 65 years old are allowed to stay in retail/service facilities;
  - it is obligatory to provide sanitizers and disposable gloves in retail/service facilities;

- In post office limit of 2 people per one operating station is imposed;
- Remote work is generally recommended, however, in the places where it is not possible, it is required to provide the employees with sanitizers and disposable gloves and the distance between work stands needs to equal at least 1.5m;
- Close-down of tattoo and piercing studios. Beauty salons and hairdressers are open - under strict sanitary regime.

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The Polish law introduces i.a. the following major solutions:

### Financial incentives

- Entitlement for Local Authority to grant to a self-employed person not employing any employees, co-financing of part of costs of business activity in case of drop of economic turnover due to COVID-19;
- Possible one-off loan covering ongoing costs of business activity of a microentrepreneur - under certain conditions it may be canceled;
- Entitlement for self-employed persons and persons engaged based on civil-law agreements to obtain a one-off "stand-by benefit" in the amount of 80% of the minimum wage for 2020 under certain conditions;
- Non-application of prolongation fee (reduced interests) to certain authorities' decisions;
- Entitlement for the authorities to suspend administrative execution of cash receivables;
- Suspension of the obligation to file for bankruptcy if the basis for declaring the debtor insolvent arose during a state of emergency or an epidemic declared due to COVID-19 and the state of insolvency arose due to COVID-19;
- Support by the Industrial Development Agency - support for companies from the sector of small and medium-sized enterprises in the form of operating leasing and working capital loans, including for financing salaries;
- Different types of support for entrepreneurs from the Polish Development Fund, depending on the size of the enterprise, e.g. support up to PLN 3.5 million for up to 3 years, possibility to remit the subsidy up to 75% after meeting certain

conditions.

### Deadline postponements

- Entitlement for the Government to postpone deadlines for submission of financial statements and other selected information, declarations, reports, applications, referred;
- Postponement of the deadline for annual payment of perpetual usufruct right for 2020.
- Prolongation of deadline for notification that the payment was made to other bank account than announced on the so-called Whitelist;
- Changes in majority of the deadlines resulting from administrative law - deadlines do not start and are suspended if started;
- Changes in procedural and judicial deadlines in majority of the proceedings (i. a.: court proceedings, administrative proceedings, tax proceedings, customs controls, enforcement proceedings) - deadlines do not start and are suspended if started;
- Prolongation of the deadlines for issuance of individual ruling (up to six months with the possibility to further postponement);
- Postponement of deadline for implementing Employee Capital Plan (PPK) for medium entrepreneurs.

### Other measures

- Non-application of Law on Public Tenders to i.a. certain orders for services necessary for counteracting COVID-19;

- Suspension of the ban on trade on Sundays for selected activities;
- Entitlement for the respective ministers to set maximum prices or maximum wholesale and retail margins used in the sale of goods or services of significant importance for health protection or human safety or household maintenance costs;
- Determination (limitations in) of calculation of the amount of non-interest costs in consumer loan;
- Possibility to limit verification activities concerning goods subject to excise duty, based on authorities decision;
- No rent is paid by the tenants in trade objects of space over 2k m2 during the ban on commercial activities in these objects (expiration of mutual obligations of the parties of the lease, tenancy or similar contracts);
- Entitlement for banks to change conditions / deadlines of credit repayment with respect to credit / cash loan granted to microentrepreneur, small or medium entrepreneur, under certain conditions;
- Remote seating/participation/voting in Management/Advisory Board Meetings.

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The Polish law introduces i.a. the following major solutions:

- Additional care payments for caregivers (e.g. parents) for no longer than 14 days if the facility such as school/kindergarten is closed;
- Suspension of application of provisions concerning obligatory periodic medical examinations,
- Possibility for an entrepreneurs to obtain (under certain conditions) benefits for protection of workplaces, covering co-financing of wages of employees being at economic standby or with shortened work time;

- Entitlement for local authority to grant to an entrepreneur co-financing of part of wage costs of employees (and social security contributions) in case of drop of economic turnover due to COVID-19;
- Possibility for entrepreneurs to decrease agreed work time and consequently related wages while these wages may be co-financed from the State Fund (certain limitations and conditions apply);
- Exemption from social security payments for microentrepreneurs in the period from 1 March 2020 to 31 May 2020 under certain conditions;

- Specific provisions (including more flexibility with respect to Labor Law application e.g. worktime/rest hours etc.) for entrepreneurs whose activity is key to functioning of "critical infrastructure" – with some additional PIT and social security reliefs regarding benefits in the form of food and housing for their employees.





## Criminal law measures

The Polish law introduces i.a. the following solutions:

- Changes in deadlines in criminal proceedings, including this based on Polish Penal Fiscal Code - deadlines do not start and are suspended if started;
- Potential suspension of imprisonment under some conditions;
- Non compliance with certain public tenders rules, if due to COVID situation, shall not be treated as a crime.

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## Next Steps

- The government presented four steps in the proces of lifting the restrictions. The third stage has been introduced on 18 May, the date of the final stage has not yet been confirmed.
- A legislative procedure is currently ongoing for the purpose of amending some of the provisions established so far. There are plans to adopt an act, among others, on interest rate subsidies for bank loans granted to ensure financial liquidity
- General updates are published on government's website concerning COVID-19: <https://www.gov.pl/web/koronawirus>

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### Introductory Reference:

- Since the outbreak of COVID-19, several temporary and exceptional legal measures have been adopted in Portugal by the relevant authorities aiming, (i) at preventing, containing, mitigating and treating the epidemiological infection by COVID-19 and, (ii) at supporting and protecting citizens, businesses, employees, employers and the economy as a whole;
- Upon the expire of the State of Emergency on 02/05/2020, the Portuguese Government ordered, within the scope of COVID-19 disease, the State of Calamity, in all the Portuguese territory, from 03/05/2020 until 31/05/2020;

### Mobility and transport restrictions:

- Mandatory isolation for (i) COVID-19 or SARS-Cov2 identified patients and (ii) citizens in relation to whom a health authority or health professionals have demanded active surveillance and being monitored;
- General civil duty (but not mandatory) of staying at home;
- Mandatory homeworking until 31/05/2020 whenever the relevant functions enable so;
- Authorisation to practise outdoor physical exercise provided that physical contact restrictions are fulfilled;
- Opening of governmental services as from 04/05/2020 under restricted safe rules and limit of people inside the premises; face to face public attendance requires to be scheduled in advance;
- Prohibition of gatherings of more than 10 people;
- Funerals are subject to restrictions namely to avoid people agglomeration and ensure safety distance; however family relatives may attend;
- Reintroduction of internal border control rules until 15/06/2020;
- Prohibition of road traffic at internal land borders, with the exception of international goods transport, international passengers transport in some cases, the transport of cross-border and seasonal workers and the circulation of emergency and relief vehicles and emergency service urgency, with some exceptions;
- Suspension of river transport between Portugal/Spain;
- Ban on landing of cruises passengers/crew in national ports, with the exception of national citizens and residents in Portugal;
- Land, river, sea and air transport of passengers is reduced to 2/3 of its normal capacity, with few exceptions.
- Railway, buses and other public transportation reduced to 2/3 of its regular capacity and the mandatory use of masks;
- Car transportation (by taxi or ordinary vehicle as from electronic platforms) reduced to 2/3 and solely at back seats;
- Interdiction, until 15/06/2020, of air traffic to and from Portugal on flights to and from countries outside the EU, with the following exceptions: countries associated with the Schengen Area (Liechtenstein, Norway, Iceland and Switzerland), the Portuguese speaking countries (however, only flights to and from São Paulo and Rio de Janeiro are admitted regarding Brazil), UK, USA, Venezuela, Canada and South Africa, given the presence of important Portuguese communities; Suspension, until 15/06/2020, of all flights from/to Italy and from/to Spain, with certain exceptions (v.g. freight transport, humanitarian flights, armed forced flights, etc.); It was excluded from the suspension of all flights from/to Spain/Portugal, the flights to be performed by the aircraft that integrate the Special Device to Fight Rural Fires. The constraints of traffic do not prevent the circulation of personnel affected to the Special Device to Fight Rural Fires;
- Passengers on flights from non-Schengen Member States of the European Union shall be allowed to enter the national territory only for duly substantiated professional reasons and for the performance of their duties, for family reasons or for reasons of force majeure, for the return of nationals and holders of residence permits to their respective countries;

- The cancellation, due to COVID-19, of trips organized by travel and tourism agencies or of reservations of accommodation services in tourist and local accommodation establishments in Portugal, from 13/03/2020 to 30/09/2020, may give rise to a voucher in the amount paid, valid until 31/12/2021 or trip rescheduling until that date;
- Reservation of accommodation services in tourist and local accommodation establishments in Portugal, from 13/03/2020 to 30/09/2020, carried out by travel, tourism agencies or tour operators cancelled or not performed due to COVID-19, may give rise to a credit of the unused amount;
- It is mandatory the use of face masks jointly or not as it may be applicable, with vison protectors, as from 03/05/2020, in all shops and commercial establishments or services providers, in all services and buildings with public attendance, in teaching establishments and nurseries (except children under 6 years old) and in public transports for passengers as from 10 years; and as from 17/05/2020 for students as from 10 years old;

### Restrictions on the performance of economic activities or others:

- Gradual strategy of lifting of the confinement measures, as from 04/05/2018, with 15 days period between each phase, in order to evaluate their impact on the evolution of the pandemic. Measures are supported by specific operating conditions, including, capacity, use of individual protection equipment, social distance, hygiene and sanitizing and home collection regulations: as from 04/05/2020, opening of (i) decentralized desks for public attendance (tax offices, registry offices, e.g.); (ii) commerce and restaurants: local commerce: shops with not more than 200 sqm, with access to the street; hairdressers, manicures and similar; bookshops and vehicle trade regardless of the area; (iii) libraries and archive; (vi) individual sports outdoors; medical services,, pet shops and veterinary clinics, rent-a-car, hairdressers, barbershops and beauty centres with prior appointment;
- As from 18/05/2020: (i) opening of shops with access to the street with no more than 400 sqm or part of shops with no more than 400 sqm; (ii) restaurants and similar establishments may operate provided that they comply with the instructions of the General Direction of Health, their occupation does not exceed 50 % of their capacity, they do not allow new admissions from 11 p.m. onwards and they make use of advance booking mechanisms in order to avoid waiting situations; (iii) camping and caravan sites and motorhome service areas are allowed to reopen with a maximum capacity up to 2/3 of the total area; (iv) re-opening of museums, monuments and palaces, art galleries and similar;
- In all cases, occupation, social distance, hygiene, cleaning and sanitizing standards should apply (e.g. limit of 5 people per 100 sqm, 2 metres of distance between people);
- Prohibition of religious celebrations involving the agglomeration of people;
- Mandatory suspension of face-to-face teaching and non-teaching activities, except for (i) 11th and 12th student levels, subject to national exams, (ii) 2nd and 3rd years of double certification courses at secondary level, as well as for students of the specialized artistic courses without double certification, in the subjects with national final examination, and (iii) students attending special education establishments under the conditions laid down on article 37 of Decree-Law no. 54/2018, of 6 July, in the current wording, who, as from 18/05/2020 may attend with masks to classes;
- Face-to-face professional training activities developed or promoted by the Institute for Employment and Professional Training, I.P., may be resumed as of 18/05/2020, gradually in accordance with the law.
- Scientific and higher education institutions must ensure the gradual and effective combination of face-to-face activities and telework;
- No charges to beneficiaries of the National Health Service (SNS) who have been referred by SNS or by a primary health care within the scope of diagnosis and treatment of the COVID-19 disease, that need to be tested or to be provided with medical assistance including complementary acts prescribed within COVID-19;

- As from 18/04/2020, wholesale food distribution establishments may sell directly to the public, cumulatively with retail trade, with display of retail selling price, available in unitary form, and quantities available to each consumer are adequate and discourage hoarding.

### Documents formalities/validity:

- the Public Authorities accept the display of documents subject to renewal, whose validity period expires from 13/03/2020 or in the 15 days immediately before or after the expiry of Decree-Law no. 1-A/2020, March 13;
- The citizen identification's card, certificates issued by the services of registration and civil identification, driving license, documents and visa related to the stay in national territory, as well as licenses and permits whose validity expires from 14/03/2020 or in the 15 days immediately preceding shall be accepted until 30/10/2020 and also after this date, provided that the holder proves that he has already booked the respective renewal. Also the ADSE family beneficiary card whose validity expires from 14/03/2020 or the 15 days immediately preceding is accepted until 30/10/2020;
  - Scanned copies and copies of acts and contracts shall have the same proof value of the correspondent originals, unless the counterparty or the person to whom they are presented to, does not dismiss the original;
  - Signed scanned copies of acts and contracts does not affect the validity of those documents, whether by handwriting or by qualified electronic signature, not even if different and mixed forms of signature is used in the same act or contract.

- Procedures and acts of registration:** whenever it is not possible to make online, the requests for civil, vehicle, commercial and property registration or the filing of hierarchical appeal against decisions refusing the execution of registration acts, may be sent by e-mail or by another electronic means defined by IRN, I.P., upon submission of a request signed electronically by the intervening parties jointly with the respective proof of payment;
- Scans of original documents sent by lawyers, notaries, directors and secretaries of commercial companies or civil companies in commercial form are accepted, provided that a certified electronic signature is affixed;
  - Online submission of registration applications in which commercial companies or civil companies in commercial form are interested parties, their directors and secretaries may, when promoting them, certify the conformity of the electronic documents submitted by them through the website with the original documents, in paper format;
  - Registrations of company incorporation, increase and decrease of share capital and appointment of directors have priority level/urgent nature;
  - After the decision authorizing the registration or granting Portuguese nationality, the verbal birth declaration attributing nationality, or the verbal declaration in the application for acquisition of Portuguese nationality whenever the certificate by registration is necessary, shall be replaced by a declaration sent by email to the registry office where the application for nationality is pending registration;
  - The death of any individual occurring in Portuguese territory must be declared by e-mail to the e-mail address of any civil registry office, which draws up the death certificates. The public authorities accept a copy of the e-mail and the death certificate attached;
  - Amendments of irregularities related to registration requests made online or by e-mail, as well as processes associated with issuance of SCAP by companies' directors and secretaries, are exempted from the respective fees;
  - Notifications by registration officers may be made by e-mail;
  - All acts requested at National Institute of Industrial Property, I.P. must be submitted exclusively through online services. The possibility of notification by e-mail of any administrative acts or other is also provided for.

**Judicial procedures:** enforcement of the judicial vacation regime to the procedural acts that must be performed within the scope of the processes and procedures, pending in

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the judicial, administrative and tax courts, Constitutional Court, Court of Auditors and other jurisdictions, arbitral courts and Justice of the peace, alternative dispute resolution entities and tax enforcement bodies; Limitation and prescription periods regarding to all types of processes and proceedings are also suspended; legal processes with priority nature are admitted exceptions to the suspension of deadlines rule;

- The suspension, in particular of: (i) the term for submitting the debtor to insolvency; (ii) any acts to be carried out in the executive process, with the exception of those that cause serious damage to the subsistence of the applicant or whose failure to do so causes irreparable damage, with the particularity that the determination of the damage depends of a previous court decision and (iii) eviction actions, special eviction procedures and processes for the delivery of leased property, when the tenant, by virtue of the final judicial decision to be handed down, may be placed in case of fragility due to lack of own residence or other mandatory social reason;
- The rule of suspension of legal deadlines is not applicable: (i) when there are conditions to continue the processes and practice non-urgent presential and non-presential acts, through computerized platforms that make it possible to perform electronically or through distance communication methods, namely teleconferencing, video calling or other equivalent; and (ii) when a final sentence is rendered in cases in which the court and other entities consider that it is not necessary to carry out new procedures;
- The legal deadlines, acts or proceedings of urgent processes are not suspended when it is not possible to ensure, nor is it adequate: (i) their realization through appropriate means of distance communication, namely teleconference, video call or other equivalent and (ii) the performance of proceedings in the processes that involve life, physical integrity, mental health, freedom or immediate subsistence of the intervening parties, provided that does not imply the presence of a greater number of people than the ones foreseen in the recommendations of the health authorities and in accordance with the guidelines established by the competent senior councils;
- The peculiarities of the urgent procedures are extended to the deadlines for the practice of: (i) administrative, sanctioning and disciplinary procedures and (ii) administrative and tax procedures regarding the practice of acts by private individuals, with the restriction of acts of interposition of judicial appeal, administrative appeal, hierarchical appeal, or other procedures of the same nature, as well as the proceeding or procedural acts subsequent to those.
- For the execution of acts in urgent processes that run in the Justices of the Peace, it is possible to use means of distance communication, such as e-mail, telephone, teleconference or video call;
- The deadlines related to the practice of acts performed exclusively by electronic means, within the scope of the National Institute of Industrial Property are also not suspended;
- As from 19/04/2020, the collection of signature on the delivery of registered mail and packages is suspended and is replaced by verbal identification and collection of the citizen card number or of any other suitable mean of identification, through the relevant presentation and insertion of the collection date, which shall correspond to the notification date. This regime is applicable to personal contact notification;

**Legal deadlines and Judicial proceedings:** suspension of all proceeding and procedural deadlines until termination of the COVID-19 exceptional situation (includes Judicial Courts, Administrative and Tax Courts, Constitutional Court, Court of Auditors and other jurisdictional bodies, Arbitral Tribunals, Public Prosecutors, Judgments of Peace, alternative litigation resolution entities and tax enforcement bodies);

- Suspension until 21/01/2021, of the electronic processing of procedural acts and the consultation of processes by public entities, within the scope of the tax legal procedures and suspension until 13/10/2020, of the submission of pleadings using the optional pleading forms;
- The signature of Judges that have participated in collective courts may be replaced by written statement of the Judge-Rapporteur attesting the conformity vote of the Judges that have not signed.

**Exceptional and temporary regime applicable to public procurement:** suspension of the pre-contractual litigation deadlines and the suspension of administrative deadlines related to public procurement procedures, and procedural deadlines foreseen in Public Contracts Code that were legally suspended on 19/03/2020 will resume counting on 07/04/2020;

- Public professional associations: their collegial bodies, with management and administrative powers, may suspend or reduce the quotas of their members, dismissing

the need to deliberate within their representative general meetings.

- **Relevant legislation:** The website of the Portuguese Official Gazette includes a specific updated section with all new legislation approved related to the epidemiological infection by COVID-19: <https://dre.pt/legislacao-covid-19>
  - Decree no. 2-A/2020, 20 March- Executes the state of emergency, declared by Decree 14-A/2020, of 18 March;
  - Order no. 3186-D/2020, 10 March - Suspends flights from or to Italy. Measure extended by Order no. 3659-B/2020, 24 March, by Order no. 4808-B/2020, 21 April, by Order no. 5298-A/2020, 6 May and by Order no. 5638-B/2020, 20 May;
  - Order no. 3298-C/2020, 13 March - Forbids landing and land licenses for passengers and crew members of cruise ships in national ports; extended until 17/05/2020 by Order no. 5138-B/2020, 30 April.
  - Order no. 3301-B/2020, 15 March - Extraordinary and temporary measures regarding the suspension of driving instruction and on-site training of professional certification in order to mitigate the COVID-19 pandemic; extended until 18/05/2020 by Order 5176-B/2020, 4 May;
  - Resolution of the Council of Ministers no. 10-B/2020, 16 March - Restores as an extraordinary and temporary measure the control of persons at the boards within the scope of the new coronavirus SARS-CoV-2 and COVID-19 disease epidemiological situation, as amendment by Resolution of the Council of Ministers no. 33-B/2020, 30 April;
  - Order no. 3427-A/2020, 18 March - Forbids the air traffic to and from Portugal of all flights to and from European Union third countries, with some exceptions; Measure extended until May 17 by Order no. 4698-C/2020, April 16, published on April 17;
  - Law no. 1-A/2020, 26 March - Establishes extraordinary and temporary measures to deal with the epidemiological situation caused by the disease COVID-19;
  - Resolution from the Government Council no. 90/2020, of 01 April - Approves set of measures for the Regional Educational System within the scope of COVID-19 pandemic;
  - Decree no. 2-B/2020, 02 April, from the Parliament – It rules the declaration of renewal of the state of emergency, establishing the measures restricting the right of movement and economic freedoms in force during the public calamity caused by the new coronavirus pandemic, including the effects on lease agreements and other forms of property exploitation;
  - Law no. 4-A/2020, 06 April, from the Parliament – Foresees the amendment and complement of the exceptional and temporary legal measures applicable to the legal deadlines and proceedings, protection of tenants and public procurement, proceeding to the first amendment to Law no. 1-A/2020, of 19 March and the second amendment to Decree Law no. 10-A / 2020, of 13 March, which established exceptional and temporary measures regarding the epidemiological situation of COVID-19; It includes an exceptional and temporary regime for the suspension of expiration, opposition to renovation and the requirement for building restitution of building foreseen in residential and non-residential lease agreements;
  - Decree-Law no. 12-A/2020, 06 April, from the Minister Council Presidency – Rules exceptional and temporary measures regarding the COVID-19 disease pandemic,
  - Law no. 5/2020, 10 April – Proceeds to the fourth amendment of the Decree-Law no. 10-A/2020, of 13 March, which establishes exceptional and temporary measures regarding the new Coronavirus – COVID-19 – pandemic;
  - Law no. 6/2020, of 10 April – Exceptional regime to promote the response capacity of local authorities within the scope of the COVID-19 pandemic;
  - Law no. 7/2020, 10 April – Establishes exceptional and temporary measures in response to SARS-CoV-2 pandemic and proceeds to the first amendment to the Decree-Law no. 10-I/2020, of 26 March, and fourth amendment to the Law no. 27/2007, of 30 June;
  - Decree-Law no 14-E/2020, from the Presidency of the Council of Ministers, 13 April: establishes an exceptional and temporary regime for the manufacture, import, placing and provision, on the national market, of medical devices for human use (MD) and of individual protective equipment (IPE), for the purpose of preventing the infection by the new coronavirus. During the outbreak of COVID-19, there may be adaptation or derogation of conformity assessment procedures, legally required for the manufacture, import, national marketing and use of MD and IPE necessary for the prevention of infection of the new coronavirus and listed in this decree (e.g. surgical masks and gowns, single-use gloves, goggles, swabs, etc.);
  - Decree Law 14-G/2020, from the Presidency of the Council of Ministers, 13 April: Approves a set of legal measures regarding education aimed at establishing an exceptional and temporary regime for evaluation of learning, school calendar, tests and examinations from primary and secondary grade, enrolment, application for national final examinations and teaching and non-teaching staff, in order to ensure the continuity of the 2019/2020 school calendar year so regular as it may be possible. Amended by Decree-Law n.º 20-H/2020, 14 May, which establishes exceptional measures regarding the organization and functioning of the educational and training activities, under COVID-19;
  - Resolution of the Council of Ministers No. 22/2020, 14 April: It establishes the extension of the exceptional and temporary return of the control of persons at the borders in the context of the COVID-19 disease pandemic;
  - Law no. 10/2020, 18 April: Exceptional and temporary regime on the formalities of postal notification under the scope of COVID-19;
  - Order no. 4836/2020, 22 April: Establishes the terms of personal attendance at judicial offices and of the relevant services of Public Prosecution, during the Emergency State;
  - Ordinance no. 100/2020, 22 April: Amends Ordinances no. 341/2019, of October 1, and

- no. 380/2017, of December 19, suspending: (i) until 21/01/2021, the electronic processing of procedural acts and the consultation of processes by public entities, within the scope of the tax legal procedure, among tax administration services, the local peripheral service and the tax enforcement agency and the tax courts; and (ii) until 13/10/2020, the submission of pleadings using the optional pleading forms;
- Decree Law no. 17/2020, from the Presidency of the Council of Ministers, 23 April: Exceptional and temporary measures related to the tourism sector, within the scope of the COVID-19 to trips organized by travel and tourism agencies, to cancellation of reservations in tourist and local accommodation establishments and to relations between travel and tourism agencies, tour operators and tourist and local accommodation establishments;
- Decree Law no. 18-A/2020 from Presidency of the Council of Ministers, 23 April: Exceptional and temporary measures in sports professional activity, extending the public sport utility status of which sports federations are currently holders until December 31, 2021, as well as adopting specific rules for their renewal, in line with the decisions approved by the International Olympic (and Paralympic) Committee;
- Order no. 5039/2020, 28 April: Extends the deferment of instalments due under the National Strategic Reference Framework or in Portugal 2020 to all companies, with retroactive effect to 10/04/2020 and temporarily while there is no teaching and non-teaching face-to-face activities due to COVID pandemic.
- Order no. 5124/2020, 30 April: Establishes the required measures for the performance of necessary acts to ensure the standard conditions in the production, transport, distribution and provision under fisherie, aquaculture and processing activities;
- Decree Law no. 19-A/2020, 30 April: Establishes an exceptional and temporary regime of financial recovery of long-term contracts with the Portuguese State or any other public entity as parties, including public-private partnerships, within the scope of COVID-19;
- Resolution of the Council of Ministers no. 33-A/2020, 30 April: Declares the State of Calamity, within the scope of COVID-19; Extended until 31/05/2020 by means of Resolution of the Council of Ministers, 18 May;
- Resolution of the Council of Ministers no. 33-C/2020, 30 April: Establishes a gradual strategy of lifting of the confinement measures adopted as response to COVID-19
- Decree Law no. 20/2020, 1 May: Amends some exceptional and temporary measures concerning the COVID-19 disease pandemic by amending and adding some provisions to Decree Law no. 10-A/2020, dated from March 13, 2020. The purpose of this amendment is to cumulate important measures provided during the state of emergency and measures necessary to ensure a return – albeit gradual and slow – to normality.
- Decree no. 106/2020, 2 May: Establishes a maximum passenger limit for air transport, as well as exception to this limit and relevant requirements;
- Order no. 5176-/2020 – Extends the exceptional and temporary measures regarding the suspension of driving lessons, exams, training and in-person certification of professionals;
- Decree no. 107-A/2020, 4 May: Establishes a maximum passenger limit for transportation in taxi and in ordinary vehicle as from electronic platforms.
- Law no. 13/2020 from the Parliament, 7 May: establishes additional temporary tax legal measures including the extension of the limit for the granting of guarantees.
- Law No. 14/2020, 9 May: Proceeds with the 3rd amendment to Law No. 1-A, 2020, of March 19th, which foresees exceptional and temporary measures, taking into consideration the Covid-19 pandemic; extends until 30/09/2020 the suspensions established under the extraordinary and transitory regime of protection to tenants and regulates specific issues regarding non-residential lease agreements, market restraint and limitation measures, dismissal, public professional associations, selection and recruitment procedures to which the General Law of Labor in Public Functions applies;
- Ordinances no.s 112, 113 and 114/2020, from the Minister of the Sea, May 9 - Approves, for 2020, the Regulation on the Support Regime for Temporary Termination of, respectively (i) Fishing Activities by Polyvalent Vessels, (ii) Coastal Trawling Fishing Activities and (iii) Fishing Activities Using Fishing Gears;
- Decree Law no. 20-F/2020, from the Presidency of the Council of Ministers, 12 May: Establishes an exceptional and temporary regime concerning insurance contracts;
- Order no. 5503-A/2020, 13 May: Limits to 15% as maximum limit for the percentage of profit on the wholesale and retail marketing of medical devices and personal protective equipment identified in the annex to Decree-Law no. 14-E/2020, of 13 April, as well as of ethyl alcohol and alcohol-based skin disinfectant gel;
- Council of Ministers Resolution no. 34-A/2020, 13 May: Extends the exceptional and temporary replacement of border control of persons in the context of the COVID-19 pandemic;
- Order no. 5503-C/2020, from the Offices of the Ministers of National Defense and Internal Administration, the Minister of Health and the Assistant Secretary of State and Communications, 13 May: Extension of the ban on air traffic to and from Portugal for all flights to and from countries outside the European Union;
- Order no. 5546/2020, 16 May: Establishes the resume of the teaching of driving and face-to-face training activity for certification of professionals;
- Decree Law no. 22/2020, from the Presidency of the Council of Ministers, 16 May: Amends the exceptional and temporary measures concerning COVID-19.





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### Support the sustainability of the Economy and businesses:

- Creation of a €200 million credit line to support companies' treasury;
- Measures to accelerate payments to companies by the Public Administration;
- Payment of incentives within 30 days;
- Deferral for a period of 12 months of installments falling due until 30/09/2020 related to repayable subsidies granted under the incentive systems of the National Strategic Reference Framework or Portugal 2020, without interest charges or other penalties for the beneficiary companies;
- Eligibility for reimbursement of expenses proven to be borne by the beneficiaries in initiatives or actions canceled or postponed for reasons related to COVID-19, foreseen in projects approved by Portugal 2020 or other operational programs, namely in the areas of internationalization and professional training, as well as by the National Vine and Wine Institute under the measure to support the promotion of wines in third countries;
- Creation of a €60 million credit line for micro-enterprises in the tourism sector;
- IEFP training scholarship;
- Temporary regime of exemption from the payment of social security contributions during the lay off period by employers;
- Extraordinary financial incentive to ensure the regular normalization phase of the activity (up to a Minimum Wage per worker);
- Exceptional and temporary regime of financial recovery of long-term contracts with the Portuguese State or any other public entity as parties, including public-private partnerships, within the scope of the pandemic of the COVID-19 disease;
- As from 10/05/2020, the Government will be entitled to define necessary market restraint and limitation measures, such as fixing certain prices, limiting profit margins on certain products, monitoring stocks and quantities produced, and taxes exemption.
- It was established a system of incentives for the adaptation of business activity in the context of COVID-19 pandemic – the ADAPTAR Program – which aims to support companies in their efforts to adapt and invest in their establishments, adjusting the work organization methods and relationship with clients and suppliers to the new conditions in the context of the COVID-19 pandemic, ensuring the compliance with the established standards and recommendations from the competent authorities.

### Credits:

- exceptional measures to protect the credits of families, companies, private institutions of social solidarity and other social economy entities, including:
- prohibition of total or partial revocation of contracted credit lines or granted loans;
  - extension of contracted credits with payment of capital at the end of the contract;
  - iii. suspension of the payment of principal, rents and interest due in respect of credits with reimbursement in installments of principal or other pecuniary obligations together with the automatic extension;
  - iv. payment plan for the installments of principal, rent, interest, commissions and other charges;
  - v. v. the possibility of the State and other legal persons governed by public law issuing personal guarantees, within the maximum limits provided for in the State Budget Law;

### Payments card:

- exceptional and temporary measures to promote the acceptance of payments by card, including:
- suspension of the collection of the fixed component of any commission for a card payment transaction carried out at automatic payment terminals;
  - prohibition of increases in the variable components of fees due for the use of automatic payment terminals in card payment transactions;

- prohibition of the creation of new fixed or variable commissions related to the acceptance of card payment transactions carried out in automatic payment terminals;
- additionally, the beneficiaries of card payments that provide automatic payment terminals cannot refuse or limit the acceptance of cards for payment of any goods or services, regardless of the value of the transaction;
- this measures shall be published by the financial institutions in their website and contacts with their clients, and fully disclosed to a beneficiary entity previous to the closing of any loan agreement.

### Payments through home banking or digital platforms:

exceptional and temporary measure regarding the suspension of the collection of any commission for payment transaction carried out through home banking or digital platforms of payment service providers for people with the COVID-19 disease, in prophylactic isolation or that are providing assistance to children or grandchildren, as well as to people in a reduction of the working period, suspension of the employment agreement or unemployment situation.

### Retirement Saving Plans:

exceptional and temporary measure regarding the possibility of reimbursement up to the monthly limit of the social support benchmarks of the Retirement Saving Plans as long as one of the family member has COVID-19 disease, is in prophylactic isolation or is providing assistance to children or grandchildren, or is in a reduction of the working period, suspensions of employment agreement or unemployment situation.

### Corporate obligations:

the deadline legally established to hold the Annual General Meetings to approve the accounts extended until 30/06/2020; the certificates issued by the registry services, including the commercial extracts/certificates issued by the Commercial Register Office that would expire in March 2020 will be accepted in the same terms until 30/06/2020.

### Lease agreements:

- For lease agreements it is foreseen an exceptional and transitional regime regarding deadlines and proceedings, and a set of extraordinary measures aimed for the protection of the tenants, including the promotion of the flexibility of payment of rents due, covering both residential and non-residential lease agreements;
- The referred exceptional legal measures apply to the following non-residential lease agreements: (i) retail trade activities and services provisions that are mandatorily closed or have their activities suspended by legal or administrative orders and; (ii) to restaurants and similar establishments that currently have their activity reduced to take away/home delivery;
  - Regarding the residential lease agreements, the Housing and Urban Rehabilitation Institute, I. P. ("IHRU, I. P."), may grant an interest free loan to support the partial payment of the rent, and at no time may the household's remaining available income be lower than the index of social support (IAS). It may be requested by:
    - Tenants who cumulatively verified that: (i) the income of their household suffers a drop of more than 20% in relation to the previous month or the same period of the previous year and (ii) whose effort rate, corresponding to the percentage of the household's income intended for the payment of the rent is equal to/higher than 35%;
    - Guarantors of students who do not earn any income, who are unable to pay the rent of the dwellings that constitute their permanent residence, or students that attend to an educational establishment located more than 50 km of their household's permanent residence, when the percentage of the household's income intended for the payment of the rent is equal to/higher than 35%;
  - Residential landlords who have suffered, in their household's income, a drop of more than 20% caused by the non-payment of rents due by the tenants who did not resort to the above mentioned loan and the absence of the due rents caused the available income of the remaining household falling below IAS;

- The residential tenants are deemed to inform landlords up to five days prior to the due date of the first rent in which they intend to benefit from this regime, unless the rents were due on 01/04/2020, to which the applicable deadline is 20 days counting from 07/04/ 2020. Tenants must show documental proof that have suffered a drop of income in more than 20%;
- The law does not foresee such obligation to non-residential leases;
- Any rents due during the state of emergency period, which ended on 02/05/2020, and even the first month after, may be payed by tenants within 12 months from the last month following the state of emergency period by means of monthly instalments, that could not be lower than 1/12 of the total amount due, to be paid simultaneously with the rents that become due after said period;
- The absence of payment of the referred rents cannot constitute grounds for the lease agreements' termination nor to demand vacation of real estate;
- Public entities that operate real estate will be entitle during the state of emergency period: (i) to reduce rents whenever tenants evidence an income drop of more than 20% in relation to the income of the previous month or the same period of the previous year, and that drop causes an effort rate of more than 35% in relation to the rent, or (ii) to allow the rent's payment exemption to the tenants that evidence not having received any income after 01/03/2020, or (iii) to establish moratoriums to their tenants;
- Exceptional and temporary regime applicable to protection of tenants: As of 14/03/2020, the residential and non-residential lease agreements, or their respective renewals, do not cease due to expiration, unless the tenant does not object to the termination. The six-month period foreseen for the return of a leased building based on other cases of expiration other than the one motivated by the end of the period stipulated by the parties or the law, namely, by the death of the tenant, loss of leased thing, verification of the subordinate condition, is suspended if the term expires during the period of time in which the extraordinary measures are in force;
- Suspension of the production of the effects of opposition to the renewal, at the initiative of the landlord, of residential and non-residential lease agreements to ensure that those agreements remain in effect for up to 60 (sixty) days after the end of the COVID measures;
- Although Portugal ended the state of emergency on 02/05/2020, and is currently under State of Calamity, the measures applied during that period, aimed at the protection of tenants, can make its effects last for longer periods extended over time, as is the case with the rent flexibilization that stabilishes the payment of the rent, under certain conditions already described above, up to 12 months after the expire of the state of emergency;
- The suspensions established under the extraordinary and transitory regime of protection to tenants set forth by Law No. 1-A/2020, as amended by Law no. 4-A/2020, of 06 April, are extended until September 30th;
- The closure of premises and establishments under a legal or administrative provision approved within the Covid-19 pandemic framework, will not suit as basis for invoking any form of termination of non-residential lease agreements or similar agreements of real estate exploration, nor as a reason for vacate the buildings on which they are installed;

### Insurance:

As from 13/05/2020, it is allowed a more favorable regime to be agreed between the insurer and the policy holder in respect of the insurance premium. In the absence of agreement, in the event of non-payment of the premium or fraction on the due date, in compulsory insurance, the contract shall be automatically extended for a period of 60 days from the date on which the premium or instalment is due, in case there is no opposition from the policy holder. Additionally, policy holders who carry out activities that are suspended or whose establishments or facilities are still closed due to exceptional and temporary measures adopted in response to the COVID-19 pandemic,



or those whose activities have been substantially reduced due to the direct or indirect impact of these measures, may request that these circumstances are reflected in the insurance premium that covers the risks of the activity, as well as the fractioned payment of the premiums relating to the current annuity, with no additional cost. These measures shall be in force until 30/09/2020.

- The sale in promotion that takes place during the months of May and June 2020 shall not be taken into account for purposes of calculation of the maximum limit of sale in promotion of 124 days per year. The economic operator who intends to sell in promotion during the months of May and June 2020 is exempt from issuing, for this period, the declaration addressed to the Food and Economic Security Authority, provided for in paragraph 5 of article 10 of Decree-Law no. 70/2007, of 26 March.

• **Relevant legislation:**

- Resolution of the Council of Ministers no. 11-A/2020, 23 March - Extends the postponement of due payments under the National Strategic Reference Framework or Portugal 2020 to all companies, due to the new Coronavirus – COVID-19 epidemiological situation;
- Order no. 4/2020, 18 March published in 25 March - Establishes a financial support line, in order to address the cash requirements of tourist micro-companies whose activity is strongly affected by the economic effects arising from COVID-19 outbreak and settles the financing conditions;
- Decree-Law no. 10-F/2020, 26 March - Establishes extraordinary and temporary regime regarding the compliance with tax obligations and social contributions, within COVID-19 pandemic;
- Decree-Law no. 10-H/2020, 26 March - Establishes extraordinary and temporary

measures to encourage the acceptance of cash-based payments, within the scope of the COVID-19 pandemic;

- Decree-Law no. 10-I/2020, 26 March - Establishes extraordinary and temporary measures as a reaction to the COVID-19 pandemic in the cultural and artistic sector, specially with regard to non-performed shows; Rectified by Declaration of Rectification no. 18/2020, 30 April;
- Decree-Law no. 10-J/2020, 26 March - Establishes extraordinary measures to protect the credits of families, companies, private institutions of social solidarity and other entities of the social economy, as well as a special regime of personal guarantees by the State, within the scope of the COVID-19 pandemic;
- Decree-Law no. 10-L/2020, 26 March - Amends the general rules for implementation of operational and development programs financed by the European funds, in order to anticipate payment applications;
- Order no. 104/2020 – XXII of the Secretary of State for Fiscal Affairs, 9 March - Extends the deadlines for voluntary compliance with tax obligations;
- Order no. 129/2020 – XXII of the Secretary of State for Fiscal Affairs, 27 March - Establishes guidelines for the periodic VAT declarations for the month of February;
- Order no. 4031/2020, 02 April, from the Ministry of Economy - It allows, during the state of emergency, the operation of establishments for maintenance and repair of cycles, as well as for the sale of its parts and accessories;
- Law no. 4-C/2020, 06 April, from the Parliament – Foresees the application of temporary and exceptional measures in order to the flexibilization of the rents due under residential lease agreements and non-residential lease agreements;
- Law no. 8/2020, 10 April – Proceeds to the first amendment to the Decree-Law no. 10-J/2020, of 26 March, which establishes extraordinary measures to protect the credits

of families, companies, private institutions of social solidarity and other entities of the social economy, as well as a special regime of personal guarantees by the State, within the scope of the COVID-19 pandemic;

- Ordinance no. 91/2020, 14 April: Defines the terms in which the loss of income is demonstrated, regarding the application of the exceptional regime foreseen by Law 4-C/2020, of 6 April, to the situations of inability to pay the residential rents due from 01/04/2020, until the month following the state of emergency end;
- Regulation of the exceptional support program to the residential lease, of 14 April: considering Law No. 4-C/2020, foresees the application of exceptional measures in order to the flexibilization of the rents owed under lease agreements, the present Regulation intends to implement the conditions of access to the financial support provided by IHRU, I. P.;
- Decree-Law no. 15/2020, from the Presidency of the Council of Ministers, 15 April: creates a credit line with low interest loan to fishing sector.
- Order no. 5335-A/2020, from the Ministries for Economy, Digital Transition, Tax and Health, 7 May: Establishes the specificities of application of the reduced VAT rate to skin gel disinfectants;
- Decree Law no. 20-E/2020, from the Presidency of the Council of Ministers, 12 May: Establishes an exceptional and temporary regime for commercial practices with price reduction;
- Decree-Law no. 20-G/2020, from the Presidency of the Council of Ministers, May 14: establishes a system of safety incentives for micro, small and medium-sized companies, in the context of COVID-19 disease.



## Employment law and social protection measures

• **Employment:**

- simplified lay off: extraordinary support for the maintenance of employment contracts in a company in a business crisis situation, in the amount of 2/3 of the remuneration, ensuring that Social Security secures payment of 70% of that amount, the rest being borne by the employer;
- IEFP training scholarship;
- temporary regime of exemption from the payment of social security contributions during the lay off period by employers;
- extraordinary financial incentive to ensure the normalization phase of the activity (up to a Minimum Wage per worker).
- Measures to support the social protection of workers and their families:
- financial support for employees who have to stay at home to accompany their children (up to 12 years old), in the amount of 66% of the basic remuneration (33% paid by the employer, 33% paid by Social Security), with the minimum limit of € 635.00 and with the maximum limit of € 1,905.00. The support excludes the school vacation period;
- financial support to domestic workers, corresponds to two thirds of the remuneration registered in the month of January 2020, with the minimum limit of € 635.00 and with the maximum limit of € 1,905.00: one third being paid by the Social Security and one third being paid by the employer.
- support for professional training, in the amount of 50% of the worker's remuneration up to the limit of the National Minimum Wage, plus the cost of training, for the situations of workers not employed in productive activities for considerable periods;
- guarantee of social protection for trainees and trainers in the course of training actions, and for beneficiaries engaged in active employment policies who are prevented from attending training actions;
- prophylactic isolation (for 14 days) being compared as a normal illness for the

purposes of social protection measures. With this change, workers who are decreed, by the health authority, of need for prophylactic isolation will have ensured the payment of 100% of the reference remuneration during the respective period.

- Absences from work are considered to be justified during the periods of established school interruptions;
- Measures to support self-employed workers/members of statutory bodies:
  - extraordinary support for self-employed workers affected by reducing levels of economic activity and social security contributions deferrals. The financial support is for one month, monthly extendable up to a maximum of six months, corresponding to: (i) the remuneration recorded as a contributory tax base, with the maximum limit of € 438,81, whenever the amount of remuneration recorded as a contributory base is lower than €658.22; (ii) two thirds of the remuneration value recorded as a contributory tax base, with maximum limit of €635.00 in situations where the value of the remuneration recorded is higher than or equal to €658.22;
  - The support previously mentioned is also granted to the managing partners of companies, as well as to members of statutory bodies of foundations, associations or cooperatives with functions equivalent to the afore mentioned, when the companies have workers at their service, who are exclusively covered by social security regimes and who, in the previous year, had their invoicing communicated through the E-fatura of less than € 80,000,00;
- Self-employed workers covered by the extraordinary financial support for the reduction of economic activity are entitled to deferment of the payment of contributions due in the months in which the mentioned extraordinary financial support is being paid. Possibility of deferment of the payment of contributions also to the employer, in situations where the support is granted to members of statutory bodies;
- the immuno-depressed and the employees suffering from chronic disease (such

as cardiovascular disease, chronic lung disease or cancer) who, according to the guidelines of the Health Authorities, are considered people at risk, may justify their absence from work by means of a medical statement, when is not possible carry out their activity in the teleworking scheme;

- temporary measures to reinforce unemployment protection, are applicable to workers as follows: (i) 90 days of work for an employer, with pay statements, in a period of 12 months immediately prior to the date of unemployment, will correspond to an allowance for 90 days; (ii) 60 days of work for an employer, with pay statements, in a period of 12 months immediately prior to the date of unemployment, in cases where the unemployment occurred due to the expiry of the fixed-term employment contract or due to termination of the employment contract by the initiative of the employer during the trial period, will correspond to an allowance for 60 days;
- suspension of the remuneration limits legally foreseen in the General Labor Law on Public Functions for overtime or supplementary work for appointed employees. The suspension is extended to all bodies, agencies, services and other entities of the Authority for Working Conditions, private institutions of social solidarity, non-profit associations, cooperatives and other entities of the social economy that carry on essential activities in the social and health area, namely, health services, residential or foster structures or home support services for vulnerable people, elderly and with disabilities;
- From 13 March, the limits on the duration and remuneration of additional work are also suspended with regard to the performance of overtime or additional work for the essential services of local authorities;
- As from 18/04/2020, suspension of the obligation to publish legal acts in the Labor and Employment Bulletin.
- As from 03/05/2020, employees may be subject to body temperature control;
- The means and powers of the Working Conditions Authority regarding dismissal are

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- strengthened;
- The selection and recruitment procedures to which the General Law of Labor in Public Functions applies, are also covered by the urgent processes that continue to proceed, without suspension or interruption of deadlines, acts or diligences;
- As from May 18, ceased the suspension of activities of nurseries, family nurseries and nanny and occupational activities center, with the need to comply with the rules of occupation, stay, physical distance and hygiene determined by the Directorate General of Health. In the period between May 18 and 31, 2020, if the employee chooses to keep his child or other dependent at home, the exceptional regimes for worker absences and the exceptional family support for employees and self-employed workers shall continue to apply.
- **Relevant legislation:**
  - Order no. 2875-A/2020, 03 March: Adopts measure to safeguard the social protection of beneficiaries who are temporarily prevented from performing their professional activity by order of the health authority, due to the risk of infection by COVID-19;
  - Decree-Law no. 10-A/2020, 13 March:- Establishes exceptional and temporary measures, related to COVID 19;
  - Decree-Law no. 10-G/2020, 26 March:- Establishes extraordinary and temporary measures to protect employment, within the scope of the COVID-19 pandemic;
  - Decree-Law no. 10-K/2020, 26 March: Establishes an extraordinary and temporary regime of justified absences to provide family support or to work as a volunteer firefighter with employment agreement with a private or social sector employer, within COVID-19 pandemic;

- Decree Law no. 12-A/2020, 06 April: Added the third amendment to Decree Law no. 10-A/2020, March 13, which establishes exceptional temporary legal measures in response to COVID-19 pandemic.
- Ordinance no. 94-A/2020, Labor and Social Security Ministry, April 16: procedures for granting exceptional support to family, extraordinary support for self-employed with reduction of business activity and to maintain employment contract in a situation of business crisis, deferment of contributions payment by self-employed;
- Decree Law no. 20-C/2020, 7 May: Establishes exceptional social protection measures in the context of the COVID-19 disease pandemic. This decree-law makes the ninth amendment to Decree-Law no. 10-A/2020 of March 13;
- Order no. 5419-B/2020, from the Offices of the Ministers of State Modernization and Public Administration and Labour, Solidarity and Social Security, May 11: Creates a transversal mobility program of employees from the central administration to the services of the Institute of Social Security, with the aim of strengthening its capacity to respond, in order to implement the exceptional measures already approved;
- Decree-Law no. 22/2020, 16 May: which amends exceptional social protection measures in the context of the COVID-19 pandemic.

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- Violation of mandatory confinement whenever ordered and applicable, embodies the practice of the crime of disobedience which is foreseen in the Penal Code, under the terms of which, who will lack obedience due to an order or legitimate warrants, regularly communicated by the authority or official competent, is punished.
- Exceptional measures for the enforcement of sentences:
  - (i) partial amnesty of prison sentences less than 2 years; it does not apply to special regime of pardon to prisoners with 65 years or older that have any

- physical or psychological illness or whose autonomy degree is incompatible with prison during the COVID-19 pandemic;
  - ii) exceptional release license for 45 days;
  - (iii) exceptional anticipation of parole of a maximum period of 6 months;
- Breach of mandatory use of face masks and visors in public transports embodies an administrative offence punished with a fine ranging from € 120 and € 350.

### Relevant legislation:

- Law no. 9/2020, 10 April – exceptional regime for easing the execution and pardon of sentences within COVID-19.
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- Additional legal measures are expected to be approved to continue enabling other industries and economic sectors to gradually start operating under mandatory safe legal measures and rules.
- It is expected the reopening of:
  - as from 31/05/2020: football competition;
  - as from 01/06/2020: citizen's bureau; shops with areas with more than 400 sqm or located in shopping centres; cinemas, theatres, auditorium, concert halls;
- All these expected legal measures are subject to the decrease of the daily health results of the pandemic and in case of increase the Government may reduce and limit again the rules applicable to economic activities operations.





The State of Emergency, as regulated by Presidential Decree, has ended on 15.05.2020. Following this stage, Romania enters a unfamiliar legislative territory – never before regulated: the State of Alert.

Within the Decision no. 24/2020 regarding the approval of the establishment of the state of alert at national level and of the measures of prevention and control of infections, in the context of the epidemiological situation generated by the SARS-CoV-2 (and issued by the National Committee for Emergency Situations), among the most important actions covered by the act are the following:

### • Health:

01. The activity of the dental offices is resumed for the non-emergency cases, with the observance of the measures for prevention and control of the spread of infections.
02. The resumption of patient medical care for non-emergency cases with no potential for aggravation is resumed, only with prior appointment and the prohibition of patients staying in waiting areas, as well as activities at the level of non-COVID health units, being mandatory to organize a system to inform them about the condition of hospitalized patients.

### • Transport restrictions (movement restrictions)

01. It is forbidden to enter the territory of Romania, through the state border crossing points, of foreign citizens, with certain exceptions. The temporary closure, in whole or in part, of some state border crossing points is maintained.
02. The measure of suspension of commercial flights to several destinations for all airports in Romania is extended for a period of 14 days, starting with 15.05.2020
03. International road transport of persons shall be suspended for several destinations until 1 June 2020, with certain exceptional circumstances in which transport is permitted.
04. The measure of quarantine / isolation at home together with the family / relatives is established for all persons coming to Romania from abroad - with certain exceptions.
05. The movement of persons outside the city is allowed only for the reasons provided in the Decision, based on a statement on their own responsibility. Inside the locality, the movement of people outside the home is allowed, avoiding the formation of groups of more than 3 people who do not belong to the same family. At the same time, it is ordered the reopening of the parks for the public, except for the playgrounds for children and with the observance of the general prevention and protection measures.

### • Education

The measure of suspending courses in all educational units and institutions is maintained until the end of the school / university year.

### • General

01. In commercial spaces, means of public transport, at work and in other enclosed spaces, the obligation to wear a mask is established, so that the nose and mouth are covered.
02. Public institutions and economic operators working with the public shall take measures to organize the activity as follows: (1) an access must be organized in such a way as to ensure a minimum area of 4 sq/m per person and a minimum distance of 2 m between any two individuals; (2) the access of persons whose body temperature, measured at the entrance to the premises, exceeds 37,3

degrees Celsius is prohibited;

03. It is forbidden to organize and hold rallies, demonstrations, concerts or any other gatherings in open spaces, as well as cultural, scientific, artistic, sports, entertainment, gambling, fitness activities, swimming pool activities and treatment held in enclosed spaces, with the following exceptions (subject to prevention and projection measures): (1) religious practices with the participation of the public, which take place outside, as well as private religious practices inside places of worship (with the participation of maximum 16 persons) (2) personal care activities carried out in specially designed spaces (3) training of performance athletes in training camps, (4) cultural activities carried out in museums, libraries and exhibition halls, (5) recreational and sports activities outdoors with the participation of up to 3 people who do not place they forget together

Moreover, according to the newly issued **Government Emergency Ordinance no. 70/2020** regarding the regulation of certain measures, starting with May 15, 2020, in the context of the epidemiological situation caused by the spread of the SARS-CoV-2 coronavirus, the following measures have been adopted:

#### – In relation to the public authorities:

01. The deadline for submitting the declaration on the beneficial owner is extended until November 1, 2020. Within this period, the declaration on the beneficial owner may take the form of a private signature or electronic form and may be sent to ONRC without any other formality, by means electronically, by electronic signature or by postal and courier services. The declaration regarding the real beneficiary can also be in authentic form, certified by a lawyer or given at the trade register office.
02. The validity of documents issued by public institutions and authorities shall be maintained for a period of 90 days from the end of the state of emergency (15.05.2020), including for identity documents whose period of validity has expired not more than 15 days before the establishment of the state of emergency. There are certain exceptions to the traffic regime on public roads.
03. For a period of 6 months from the date of cessation of the state of emergency (15.05.2020), public institutions and authorities requesting the presentation of civil status certificates, in original and / or photocopies, are obliged to accept extracts for official use from the civil status documents submitted in electronic format by the local community public service for the registration of persons or by the civil status office within the town halls where the local community public service for the registration of persons does not operate.

• **Government Decision no. 394/2020** on the declaration of a state of alert and the measures applied during it to prevent and combat the effects of the COVID-19 pandemic – some of the most important measures are as follows:

#### – GENERAL:

01. In commercial spaces, means of public transport, at work and in other enclosed spaces, the obligation to wear a protection mask is established.
02. It is forbidden to organize and hold rallies, demonstrations, processions, concerts or other types of gatherings in open spaces, including those of the drive-in type, as well as gatherings of the nature of cultural, scientific, artistic, sporting or recreational activities. indoor entertainment. The following activities may be carried out only under the conditions established by Order of the competent authorities: (1) physical training in sports facilities and bases, (2)

the activity of museums, libraries, bookstores, cinemas, film and audiovisual production studios, of performance and / or concert institutions, cultural centers and other cultural institutions, as well as outdoor cultural events and public and private festivals, (3) the activity of religious services. Outdoor recreational and sports activities are prohibited, except for those with the participation of up to 3 people who do not live together. It is forbidden to participate in private events in closed spaces, except for those that take place with the participation of a maximum of 8 people and in compliance with the rules of social distance.

#### – TRANSPORT AND MOVEMENT OF PERSONS

01. The entry on the territory of Romania, through the state border crossing points, of foreign citizens and stateless persons is prohibited, with certain exceptions. The temporary closure, in whole or in part, of some state border crossing points is maintained.
02. During the state of alert, commercial flights to several destinations from all airports in Romania are suspended.
03. International road transport of persons shall be suspended for several destinations during the state of alert, with certain exceptional circumstances in which transport is permitted.
04. The measure of quarantine / isolation at home together with the family / relatives is established for all persons coming to Romania from abroad - with certain exceptions."
05. The movement of persons outside the locality is allowed only for the reasons provided in the GD, based on an affidavit. Inside the locality, the movement of people outside the home is prohibited in groups of more than 3 people who don't belong to the same family, and the formation of such groups is prohibited.

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Given that the State of Emergency has ended on 15.05.2015, some of the economic and fiscal measures that were dependent on the existence of the (prior) legislative ecosystem created by the emergency situation no longer produce any effect. However, there are some measures whose effects still occur (within a limited period of time after the cessation of the emergency situation).

Below is a list of the measures taken in the COVID-19 pandemic context that are currently still in force:

01. the validity of the documents issued by the public authorities that expire during the state of emergency shall be extended for 90 days as of termination date of the state of emergency (termination date: 15.05.2020).
02. the beneficiaries of European funds which are affected by the adoption of the measures provided in the Decree for enacting the state of emergency (terminated on 15.05.2020). may decide, together with the managing authorities/intermediary bodies, to suspend the financing contracts concluded according to the law
03. the claw back tax for the first quarter of 2020 is capped at the level of the fourth quarter of 2019.
04. Taxable persons registered for VAT purposes importing medicines, protective equipment, other devices or medical equipment and sanitary materials that can be used in the prevention, limitation, treatment and control of COVID-19, provided in the annex to the GEO, shall not make any effective payment of VAT to the customs bodies and the customs bodies shall not request the payment of VAT. The measure is applied during the state of emergency and for 30 days after its cessation (termination date: 15.05.2020) and includes the import of completely denatured ethyl alcohol used for the production of disinfectants, but only with regard to the importers holding the end-user authorization according to the Fiscal Code, on the import date.
05. the penalties stipulated for delays in the execution of obligations arising from the contracts concluded with the public authorities by SMEs that have totally or partially interrupted their activity and that hold the emergency situation certificate, are not due for the duration of the state of emergency. Given that the state of emergency has ended (on 15.05.2020), this measure is no longer applicable.
06. Companies whose activity was affected under the context of pandemic SARS-CoV-2 and which are legally entitled according with the legal provisions issued under the context of state of emergency, might ask the issuance of the Emergency Situation Certificate (ESC). There are two types of certificates: (i) TYPE 1 certificate (the blue one) – is issued to companies whose activity was affected by total or partial interruption of activity, following decisions issued by the authorities and (ii) TYPE 2 certificate (the yellow one) – is issued to companies whose activity was affected through a decrease of at least 25% of the cash collections recorded in **March/April/May** 2020 compared with the average of the cash collections recorded in January and February 2020. The company justifies the fulfillment of the conditions through an affidavit. A company might request only one certificate.

**As per the amendments brought up by GEO no. 70/2020, the term until a company may request the certificate has been extended to 15 June 2020.**

01. For SMEs, the Romanian State will provide guarantees covering up to 80% of the principal amounts borrowed in the form of one or more credit (s) for the realization of investments or credit lines for working capital granted by credit

institutions. The maximum cumulative value of the financing granted to an SME is to be capped at RON 10 million, and there is also a sub-ceiling for the credit lines for working capital of RON 5 million (but cannot exceed the average of the expenses related to the working capital of the last two fiscal years) and finally, RON 10 million for investment loans

02. For micro-enterprises (companies which, among others, employ up to ten employees and obtain a net turnover below EUR 2 million) the state guarantees granted for working capital credit lines can be up to 90% if the principal amounts borrowed is up to RON 500,000 (but cannot exceed the average of the expenses related to the working capital of the last two fiscal years)
  03. For small businesses (companies which, among others, employ up to fifty employees and obtain a net turnover below EUR 10 million), the state guarantees granted for working capital credit lines can be up to 90% if the principal amounts borrowed is up to RON 1,000,000 (but cannot exceed the average of the expenses related to the working capital of the last two fiscal years)
  04. In all the scenarios 1-3 above, the credit interest is fully subsidized by the Romanian State for an initial period up to March 31, 2021 (which may be extended) and the administration fees are borne by the state
- In all the scenarios 1-3 above, the credit interest is fully subsidized by the Romanian State for an initial period up to March 31, 2021 (which may be extended) and the administration fees are borne by the state

- deferred payment for utility services - electricity, natural gas, water, telephone and internet services, as well as deferred payment of the rent for the registered office and secondary offices for the SMEs that have totally or partially interrupted their activity based on measures imposed by the authorities and that hold the emergency situation certificate. For any other ongoing agreements then the ones mentioned above, the SMEs might invoke the force majeure only after their endeavor, proven by documents transmitted between parties in any way, including electronic ones, to negotiate the agreements, in order to amend the agreements according with the new conditions generate by the state of urgency.
- It is presumed to constitute a case of force majeure the absolutely unforeseeable, invincible and unpredictable circumstance referred to in art. 1351 para. (2) of the Civil Code, which results from an action of the authorities in the application of the measures imposed by the prevention and control of the pandemic, which affected the activity of the SMEs, an impact attested by the emergency situation certificate. The presumption may be overturned by the interested party by any means of evidence. The unpredictability is related to the time of conclusion of the affected agreement. The measures taken by the authorities in accordance with the Decree that established the state of emergency will not be deemed unpredictable.

**Suspension, upon request, of due loan payment obligations – the following provisions were modified by GEO no. 70/2020.**

- Beneficiaries - individuals, authorized individuals and individual enterprises, family enterprises, professionals carrying out their activity based on special laws, regardless of the form in which such professions are exercised and legal entities (except for credit institutions), whose incomes have been directly or indirectly affected by the serious situation generated by the COVID-19 pandemic, in accordance with the rules for applying the GEO.

- Object - loans granted by credit institutions and non-banking financial institutions, as well as leasing contracts (although there are discussions regarding the applicability of the GEO in the case of leasing contracts). The period for which the suspension can be requested: from 1 to 9 months but no more than 31.12.2020; the maximum credit period can be extended with the suspension period. Conditions - the loan agreement has been concluded prior to the issuance of the ordinance; the agreement did not reach maturity by 30 March 2020; no payment defaults were registered on such loan as of 16 March 2020, i.e. the date when the state of emergency was declared in Romania (alternatively, the Debtor is allowed to make the overdue payments prior to making the moratorium request), the Creditor did not accelerate the loan before the date of March 30th, 2020; and.

- In addition, legal persons must (i) hold the emergency situation certificate for the total or partial interruption of the activity as a result of the decisions of the authorities or for the reduction of income by a minimum of 25% in March/April/May compared to January-February 2020 and (ii) not be insolvent at the date of requesting the suspension of the credit repayment. Implementation - the debtors must send to the creditor until 15 June 2020, a request (either in writing or orally - by telephone) indicating the period for which the suspension is requested.

- The request will be analyzed and approved by the creditor according to the approved methodological norms, and within 30 days from the receipt of the request the creditor notifies to the debtor the contractual clauses modified for the implementation of the ordinance. The accrued interest due by the borrowers will be added to the loan balance at the end of the suspension period and thereafter be subject to interest. The increased loan balance will be paid in installments until the new maturity of the loan, after the suspension period.

- By exception, for the mortgage loans granted to individuals the interest related to the period of suspension is calculated according to the provisions of the credit agreement and represents a distinct and independent receivable in relation to the other obligations arising from the loan agreement. For this receivable the interest rate is 0% and its payment by the debtor will be made in 60 equal monthly installments, starting with the month immediately following the end of the suspension period. The Romanian state through the MPF shall guarantee the payment for 100% of the interest corresponding to the suspension period for the mortgage loans contracted by individuals. F.N.G.C.I.M.M. will be mandated to issue letters of guarantee to creditors. After payment of the value of the execution of the MFP guarantee, FNGCMM shall draw up a debt title which identifies the payment obligations of the individuals benefiting from the facility provided in par. (1). The debt title becomes an enforcement title according to the law. The receivables arising from the payment of the granted state guarantees, respectively the amounts paid to the creditors based on the letters of guarantee, are assimilated to budgetary receivables, they constitute income to the state budget, they give rise to accessories according to the Fiscal Code and they are recovered from the debtors by the competent fiscal bodies of NAFA.

**MEASURES IN RELATION TO THE FINANCIAL SUPERVISION AUTHORITY (FSA Norm 21/2020, FSA Regulation 3/2020 and 5/2020):**

01. the extension of several deadlines for the transmission in 2020 of periodic reports provided by the applicable legal provisions, as well as the possibility of extending the deadline for completing the documentation sent to the FSA. Beneficiaries: insurance and reinsurance companies based in Romania,

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insurance and / or reinsurance brokerage companies, the Insurance Guarantee Fund, credit institutions and investment firms insofar as they request the approval of the FSA for carrying out the distribution activity as principal intermediaries.

02. starting with 01.04.2020, all fees, taxes, quotas and contributions due to the Financial Supervisory Authority, provided by the Regulation of the FSA no. 16/2014 regarding the revenues of the FSA are reduced by 25%. Beneficiaries: authorized entities, regulated and / or supervised by FSA.
03. Throughout the state of emergency, issuers with registered office in Romania whose shares are admitted to trading on the regulated market or within a multilateral trading system (AeRO) will ensure the performance of the shareholders' meetings in compliance with the provisions adopted by the national authorities during this period, by using electronic means of data transmission and voting by mail

**Other measures (GEO no. 48/2020):**

- the advantages in kind granted to individuals for performing functions considered by the employer as essential for carrying out the activity, and who are in preventive isolation at work or in special areas where no outside persons have access, for a period established by the employer, represent non-taxable income in case of establishing the state of emergency / siege
- taxpayers obliged to pay the specific income tax for certain activities, according to Law 170/2016, do not owe specific income tax for the period in which they interrupt the activity totally or partially during the state of emergency, provided they hold the certificate for emergency situations and are not in insolvency.
- the organizing licenses and exploitations licenses for gambling that expire during the state of emergency are legally extended by 90 days from the cessation of the state of emergency (termination date: 15.05.2020).
- During the state of emergency, the payment obligations related to the licenses to operate traditional gambling activities are suspended and the tax is not due for the entire period of the state of emergency. There are no penalties for non-payment of these taxes, if the payment is made no later than 30 working days after the cessation of the state of emergency (termination date: 15.05.2020).“
  - given that the state of emergency has ended, payment obligations are no longer suspended
- the VAT requested for reimbursement through the negative VAT returns with reimbursement option, filed within the legal deadline, including the case of pending settlements for which the reimbursement decision was not issued at the date of entry into force of the GEO, is reimbursed by the central fiscal body with subsequent fiscal inspection. The provision does NOT apply in the following situations: (1) before the entry into force of the GEO, the fiscal inspection was started in order to settle the VAT returns, (2) the returns filed by large taxpayers, which are solved after the fiscal inspection, if (2.1) the taxpayer's fiscal record contains deeds sanctioned as felonies, (2.2) the central fiscal body, based on the information held, finds that there is the risk of an undue reimbursement, (2.3) for the respective taxpayer the voluntary liquidation or the insolvency procedure was opened, except for those for which a reorganization plan was confirmed under the conditions of the special law, (3) in the case of taxpayers other than the large taxpayers in the situations provided in points 2.1-2.3 and, in addition, in the following situations: (3.1) the taxpayer files the first return with negative amounts of VAT with reimbursement option after the registration for VAT purposes, (3.2) the balance of the negative amount of VAT requested for reimbursement comes from more than 12 monthly reporting periods, respectively 4 quarterly reporting periods. For the amounts reimbursed on the basis of this provision, the subsequent tax inspection is decided on the basis of a risk analysis. The application of this provision expires within 30 days of the cessation of the state of emergency (termination date: 15.05.2020).
- Regarding tax obligations for which payment facilities were granted, no interest and penalties will be calculated and owed installments not paid until the expiry of a term of 30 days after the cessation of the emergency situation (termination

date: 15.05.2020). , and the conditions for maintaining the validity of payment schedules granted according to the law are suspended. In this case, until the first payment term after the expiration of the 30-day term from the cessation of the state of emergency, the competent fiscal body redraws the payment schedule ex officio, respecting the approved period of phasing.

- The obligations that fall under this provision, with the exception of the installments from the redrawn payment schedules according to the GEO, are considered fulfilled in the following situations: (i) for the situations in which the terms provided by art. 194 para. 1, 195 para. 10 and art. 200 Tax Procedure Code were fulfilled until the expiration of the term of 30 days from the cessation of the state of emergency (termination date: 15.05.2020)., if they are executed within 30 days from the end of this term, (ii) for the other situations, at the fulfillment of the stipulated term of art. 194 para. 1, 195 para. 10 and art. 200 Tax Procedure Code. For the obligations stipulated in point (i), the taxpayers may request the payment scheduling to be modified, provided that the application is submitted until the expiry of the respective term.
- Forced execution of budgetary receivables by summons and by the valorisation of goods at auction are suspended or shall not start, with the exception of forced executions for the recovery of budgetary debts established by judicial decisions in criminal matters, are suspended or not started.
- The statute of limitation for the right of the fiscal bodies to establish budgetary receivables and to request forced execution, as well as that of the taxpayer to request the refund of the tax debts, provided by the Tax Procedure Code, are suspended until a term of 30 days after the cessation of the emergency situation. (termination date: 15.05.2020).
- The terms stipulated by the Accounting Law for the submission of the annual financial statements for the financial year 2019, respectively of the annual accounting reports completed on 31.12.2019, are extended until 31.07.2020 inclusive

**GEO no. 56/2020:**

- Holders of broadcasting licenses and licenses for the use of radio frequencies in the digital terrestrial system shall be exempted from the payment of the spectrum utilization tariff for 2020. In application of this facility, debt securities issued during 2020 for the individualization of the tariff for the use of the spectrum shall be annulled by the decision of the National Authority for Administration and Regulation in Communications, issued within 30 days from the entry into force of the GEO. Holders of broadcasting licenses and / or licenses for the use of radio frequencies in digital terrestrial system who have paid the spectrum usage fee before the entry into force of the GEO may benefit, upon request, from the refund of the amounts paid.
- The term of payment of the spectrum use tariff due by the holders of licenses for the use of radio frequencies pursuant to art. 30 para. (1) of the GEO no. 111/2011 established in the debt securities issued for the first quarter of 2020 is October 31, 2020. The holders of the licenses for the use of radio frequencies granted according to the GEO no. 111/2011, who have paid the spectrum use tariff according to the debt securities issued before the date of entry into force of this GEO, may benefit, upon request, from the refund of the amounts paid.

**GEO no. 69/2020 through with the Government adopted:**

- the extension of the term regarding the submission of the unique declaration (for the establishment of the income tax has been postponed until the date of 30.06.2020
- the payment of the income tax and related compulsory social contributions has been postponed until 30.06.2020 – if the payment is done before that date, the Government grants a bonus (reduction) of 10%
- tax amnesty of interest, penalties and other accessories due by companies that will pay the main fiscal obligations until December 15, 2020
  - the four types of fiscal facilities (measures) targeted by the new regulation cover a wider range of subjects and situations and do not take into account any limitations (for example, value)
  - In principle, in order to benefit from the measure of annulment of the

accessory obligations, taxpayers must (a) pay the outstanding main budgetary obligations on March 31, 2020, (b) pay the current obligations (both main obligations and accessories with payment terms between April 1, 2020 and the date of submission of the request for cancellation of accessories), (c) submit all tax returns, (d) as well as to submit the request for cancellation of accessories by 15 December 2020.

As stated in the General measures section, Decision no. 24/2020 added new measures – in the economic field the measures are the following:

01. The activity of serving and consuming products in the common dining areas inside restaurants, hotels, motels, boarding houses, cafes or other public places, as well as on the terraces outside these locations is temporarily suspended. Activities such as preparation/selling of food and alcoholic beverages, which do not involve customers staying in the spaces intended for this purpose, such as drive-in, room-service, customer delivery, “take-away” etc. are allowed.
02. During the alert period, selling of products and services in shopping centers (malls) with an area of more than 15,000 sq/m is suspended, except for the following activities, which are allowed: (1) the sale of electronic and household appliances , only if the economic operators ensure their delivery to the domicile / headquarters of the buyer; (2) the activity carried out by the economic operators within the shopping centers that have the access provided directly from outside the premises and the communication with the rest of the complex is interrupted; (3) the sale of food, veterinary, pharmaceutical products, medical optics products and services and cleaning services.

As stated in the General measures section, Government Emergency Ordinance no. 70/2020 added new measures – in the economic field the measures are the following:

- By way of exception to the provisions relating to the right of withdrawal of consumers, for events to be held between 8 March and 30 September 2020 (or during the period in which the right to organize events and festivals is suspended, if this date exceeds the above rules) the following rules apply:
  01. in case of rescheduling the event, the participant will be able to use the purchased access ticket and the rescheduling date cannot exceed September 30, 2021.
  02. in case of cancellation of event or inability to use access ticket on the date of rescheduling, the participant will receive from the organizer a voucher for the full amount paid, a voucher that will be used to purchase products or services from the range offered by the organizer, according to a detailed regulation communicated by the organizer; If the voucher is not used to purchase products or services no later than September 30, 2021, the organizer will refund all amounts received from the consumer until December 31, 2021.

The organizer has the obligation to provide a period of at least 30 days for the ticket buyer to choose between keeping the ticket valid for the rescheduled event or festival or transforming it into a valuable voucher. After the expiration of the 30 days, the ticket automatically becomes valid for the rescheduled edition of the event or festival.

**– INSOLVENCY:**

During the state of alert, the debtor who is in a state of insolvency or who reaches a state of insolvency will be able to address to the court a request to be subject to the provisions of Law no. 85/2014. The request addressed to the court will be accompanied by the proof of the notification of the competent fiscal body regarding the intention to open the insolvency procedure. The provisions of art. 66 para. (1) of Law no. 85/2014, are not applicable until the end of the alert state, the date from which the 30-day period that it provides begins to run.

**– FISCAL**

01. The provisions of art. 25 para. 10 of the Fiscal Code on determining the loss in case of assigned receivables does not apply in case of assignments



- of government securities, bonds and other debt instruments that give the holder a contractual right to collect cash, the expenses recorded from these assignments being deductible when calculating the tax result
02. VAT payment exemption for the deliveries to associations and foundations of medicines, protective equipment, other medical devices or equipment and sanitary materials that can be used in the fight against COVID-19, provided in annex no. 2 to the GEO (made until September 1, 2020). The exemption applies only provided that the assets purchased by associations / foundations are used by them to combat COVID-19 or are donated to other entities that use them to combat COVID-19. The supplier justifies the VAT exemption with the declaration on his own responsibility regarding the destination of the goods, made available to him by the beneficiary association / foundation, at the latest at the time of delivery. Non-compliance by associations and foundations that purchase goods under the VAT exemption regime constitutes a contravention and is sanctioned with a fine equal to the amount of VAT from which the exemption benefited from the acquisition of the goods. These provisions will enter into force on May 25 2020.
  03. If the events are rescheduled until the end of 2021 as a result of the pandemic, for the taxable income obtained in Romania by residents and non-residents from activities carried out in the field of organizing cultural, artistic, sports, scientific, educational or entertainment events, or from the actual participation in such activities, the tax is calculated, respectively withheld at the time of income payment and is declared and paid to the state budget until the 25th of the month following the month in which the event took place. The tax is calculated, withheld, declared and paid, in RON, to the state budget, at the exchange rate of the foreign exchange market, communicated by the National Bank of Romania for the day when the payment of income to non-residents is made

**Government Decision no. 394/2020** on the declaration of a state of alert and the measures applied during it to prevent and combat the effects of the COVID-19 pandemic – some of the most important measures are as follows:

01. The activity of serving and consuming products is temporarily suspended in the common dining areas inside restaurants, hotels, motels, boarding houses, cafes or other public places, as well as on the terraces outside these locations. The preparation and sale of food beverages and alcoholic beverages, which are not consumed in those spaces.
02. During the state of alert, the sale of products and services in shopping centers with an area of more than 15,000 sq m in which multiple economic entities operate is suspended, except for the following activities, which are allowed: (1) the sale of electronic and household appliances, only if the economic operators ensure their delivery to the domicile / headquarters of the buyer; (2) the activity carried out by the economic operators within the shopping centers that have the access provided directly from outside the premises and the communication with the rest of the complex is interrupted; (3) the activity carried out by agri-food stores, pharmacies, dental offices, clothes cleaners and personal care centers, as well as the sale of medical optics products and services.
03. The activity of economic operators carrying out activities in closed spaces in the following fields is suspended: gambling, fitness activities, activities in swimming pools, spa treatment activities, playgrounds and game rooms. Personal care activities that take place in specially designed spaces and that comply with health safety conditions are exempted from the suspension measure.

**Law 55/2020 on some measures to prevent and combat the effects of the COVID-19 pandemic – some of the most important measures are:**

- INSOLVENCY:
01. During the state of alert, the applicability of art. 143 para. 1 of Law no. 85/2014 on the possibility for creditors or the judicial administrator to ask the syndic

- judge to order the bankruptcy of the debtor if the debtor does not comply with the plan or new debts are accumulated to the creditors within the insolvency procedure, is suspended.
02. During the state of alert, in the case of debtors who have totally or partially ceased their activity as a result of the measures adopted during the state of emergency maintained, as the case may be, during the state of alert, or exclusively as a result of the measures adopted in the period of the state of alert, the minimum amount of the claim, in order to be able to introduce the request to open the insolvency procedure, is 50,000 lei, both for creditors and debtors.
  03. In the case of debtors who have totally or partially interrupted their activity as a result of the measures adopted during the state of emergency maintained, as the case may be, during the state of alert, or exclusively as a result of the measures adopted during the state of alert, creditors may, until the termination of the alert ceases, request the opening of insolvency proceedings only after a reasonable attempt, proved by documents communicated between the parties by any means, including by electronic means, to conclude a payment agreement
  04. For the preventive agreement procedures in progress at the commencement date of the state of alert, the period during which the negotiations on the draft preventive agreement are carried out shall be extended by 60 days. Correlatively, the period of elaboration of the preventive offer is extended by a maximum of 60 days or, as the case may be, the negotiation period of the preventive agreement offer is extended by a maximum of 60 days. In the case of the debtor in the execution of the preventive agreement at the commencement date of the state of alert, the period for satisfying the claims established by the preventive agreement is extended by 2 months.
  05. If the debtor is in the observation period at commencement date of the state of alert, this period shall be extended by 3 months. Correlatively, the term in which the categories of entitled persons can propose a reorganization plan is extended by 3 months, including if the term for submitting the plan, provided by law, has started to run.
  06. If, on the date of entry into force of the law, a reorganization plan was submitted to the case file, but, as a result of the effects of the pandemic, the debtor's recovery prospects have changed, the persons entitled to submit a reorganization plan may, within 3 months from the entry into force of the law, submit a modified reorganization plan, notifying the creditors, through the care of the judicial administrator, on this intention, within 15 days from the entry into force of the law.
  07. In the case of the debtor in judicial reorganization on the date of entry into force of the law, the duration of the execution of the judicial reorganization plan is extended by 2 months. The debtor in judicial reorganization, who has totally interrupted his activity, as a result of the measures adopted by the authorities, may request the syndic judge, within 30 days from the entry into force of the law, to suspend the execution of the plan for a period that cannot exceed two months. The request is judged urgently, on the basis of documents, without summoning the parties. The conclusion pronounced by the syndic judge can be appealed, according to art. 43 of Law no. 85/2014, the deadlines being reduced by half.
  08. In the case of a debtor in judicial reorganization on the date of entry into force of the law, who has ceased his activity totally or partially as a result of the measures adopted by the authorities, the period of execution of the reorganization plan may be extended without exceeding a total duration of 5 years, and may be modified, accordingly, if necessary, under the conditions provided in art.139 par. (5) of Law no. 85/2014
  09. For the debtor who has interrupted his activity totally or partially as an effect of the measures adopted by the authorities, during the state of emergency and / or alert, the initial duration of execution of the reorganization plan, provided by art. 133 para. (3) of Law no. 85/2014 may be of 4 years, with the possibility of extension, without exceeding a total duration of 5 years, and of the modification, accordingly, if necessary, under the conditions of art. 139 para. (5)

of Law no. 85/2014.

**Law 62/2020:**

01. For landlords who reduce their rent during 2020 by at least 30% compared to February 2020, the rental income is not taxable. For lessors paying tax on profit or tax on the income of micro-enterprises, who reduce their rent during 2020 by at least 20% compared to the rent for February 2020, rental income is taxable only in proportion of 80% of its value. The period for which these tax facilities apply is the period for which the rent reduction was negotiated, but not more than 31 December 2020.
02. Payment of rent may be deferred upon request, without interest or penalties, by (1) economic operators, practitioners of the liberal professions, private legal entities, whose activity has been interrupted or whose income or cash collection has decreased by at least 15% in March 2020 compared to the average of the last calendar year in the period of application of the state of emergency, (2) natural persons directly or indirectly affected economically during the period of application of the state of emergency. The payment of rent will be made on behalf of the tenants to the landlords by the competent territorial fiscal body, based on the tenants' request accompanied by the addendum to the lease concluded between the landlord and the tenant, and any deed of the tenant proving the impossibility to pay rent during the period specified in the addendum. Landlords who cumulatively meet the following conditions may apply for payment to the tax authority: (i) the amount of the monthly rent specified in the addendum is lower, at most equal to the rent of February 2020, and (ii) the monthly rent specified in the addendum is maximum 10,000 lei for economic operators for each location and maximum 2,000 lei for individuals for a single location. Tenants benefiting from the deferral are obliged to pay the monthly rents, the payment of which has been deferred, to the tax authority that paid these amounts to the landlord, in equal installments, after the period in which the payment was deferred, until 31 December 2020. The deferral of rent is applied for the entire period of the state of emergency, as well as for the month following the month in which the state of emergency ceased.





## Employment law and social protection measures

Conversely, considering that the State of Emergency has ended on 15.05.2020, some of the employment measures that were dependent on the existence of the (prior) legislative ecosystem created by the emergency situation no longer produce any effect.

However, there are some measures whose effects still occur (within a limited period of time after the cessation of the emergency situation).

Below is a list of the measures taken in the COVID-19 pandemic context that are currently still in force:

01. Parents shall be entitled to benefit from paid days off until the date classes end for the current school year. By way of exception, it was decided that the above measures do not apply in the national defense sector, to employees working in prisons, public health care units and other sectors to be decided under ministerial order (the conditions for granting the facilities are detailed in our previous presentation – however, as an amendment to these conditions, it was provided that the employers can recover the indemnity from the state budgets within 15 days since the submission of all required documents);
02. The allowance due for the period of suspension of the employment agreement according to art. 52 of the Labor Code, (technical unemployment), shall continue to be covered from the unemployment insurance budget, in the amount of 75% of the base salary but no more than 75% of the average gross

salary in the country (for 2020 this is 5429 lei):

– until 31st of May for all employers;

– From June 1st until 31 December 2020, the latest, only for sectors where restrictions are imposed by law.

03. The applicability of the collective bargaining agreements shall be prolonged during the entire period of the state of alert and 90 days thereafter. The collective negotiations must be started in 45 days calculated from the date the alert period expires;

04. Employees are entitled to benefit from medical leave/quarantine leave. In principle, the amount of the indemnity during medical leave/quarantine leave is borne by the state insurance budget - with the exception of the indemnity in case of medical leave for the first 5 days of incapacity, which is borne by the employers.

### • Telework

The employers are under the obligation to organize the performance of work from the employees' domicile.

However, the implementation of work from home/telework can be made only with the employees' consent.

### • Social distancing measures

In case where work from home/telework is not possible, employers are under the obligation to ensure:

- The triage of employees, by verifying temperature;
- Mandatory hand disinfection prior to entering the workplace;
- Observing of rules for working in open space;
- Wearing of masks by employees;
- Employers with more than 50 employees are entitled to unilaterally establish individualized working programs, in order to ensure, within a 3 hours period, a 1 (one) hour interval between at least minimum 20% of employees, at the start and end of the working program

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## Criminal law measures

Violation of the restrictive (general) measures will result in fines, while the violation of quarantine/auto-isolation measures will result in either fines or jail time (depending on the outcome - whether the individual has infected other people).

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### State of Emergency

- On 7 May 2020, the National Parliament canceled the state of emergency along with the measures that were introduced.
- However, not all consequences of the cancellation of the state of emergency are clear.

### Public Institutions (general)

- Situation with public institutions is being changed in direction of opening of all institutions gradually. Institutions that are opened do not work with full capacity.

### Borders

- As of 20 March borders are closed for indefinite period with exceptions upon approval of the Government / Ministry.
- Serbian citizens and foreigners with residence permit are to be quarantined for 14 to 28 days depending on specific situation, decided on the spot by border police. Alternative is if the person have negative test on virus that is not older than 72 hours.

### Airport(s)

- As of 19 March, commercial flights are banned on Belgrade International Airport. Only flights with special approval of the Government are allowed.
- The Government is considering releasing some commercial flights (mostly in EU) in the next days or weeks.

### Schools and Universities

- All schools and universities are closed, while elementary school lessons are broadcasted on national television.
- Only some exceptional activities may be performed in the schools.
- Kindergartens are (re)opened.

### Business

- All businesses working directly with people (restaurants, retailers etc.) are (re) opened and are obliged to follow measures in respect to prevention of spread of the virus (physical distance, masks, gloves etc.).
- In addition, all businesses are obliged to re-assess the risk of the Covid-19 to the working environment.

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### Loans Repayment Moratorium

- On March 17th the National Bank of Serbia has adopted decision on suspension in the repayment of debtor liabilities (for those debtors that opt for it). Namely, during the state of emergency, banks and leasing agencies will not compute interest on due and unpaid receivables, no enforced collection proceedings will be initiated and no other legal actions will be taken against clients in arrears. In addition, banks and leasing agencies will not be able to refund any expenses arising due to the aforementioned decisions from clients.
- Effects of the moratorium after cancellation of the state of emergency is yet to be analyzed.

### Reference Interest Rate

- National Bank of Serbia has reduced the reference interest rate to 1,50%.

### Initiative for projects financing

- The Innovation Fund of the Republic of Serbia has announced a public call for innovative projects that will help in the control of the effects of the COVID-19 pandemic.
- The initiative is intended for micro, small and medium companies, which already have developed prototypes, products,
- services and technologies that might be scaled in the short period of time and become available for utilization and that provide solutions for shortcomings and problems related to health and well-being of population, caused by pandemic and state of emergency.
- Financed projects may last up to 30 days, with the possibility of extension, in case of specific circumstances.

- Maximum amount of financing is RSD 6 million per project, whereas Innovative Fund's co-financing could cover up to 85% of total project costs, while remaining 15% should be provided by user, from its own resources.
- Applications submitted earlier will have priority in evaluation procedure.

### Digital platform for services opened during the state of emergency

- [Digital Solidarity](#) platform has been established, in order to facilitate overall functioning during the state of emergency. Companies that intend to participate are required to provide information about service name, category (remote work, remote learning etc.), logotype (of platform or company), name of company which is the owner of service, access link, period in which service can be used free of charge, short description of service. Information should be provided on the address [kancelarija@ite.gov.rs](mailto:kancelarija@ite.gov.rs), with [nenad.paunovic@gov.rs](mailto:nenad.paunovic@gov.rs) in cc.



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## Decree on Adoption of Financial Support Program to Business Entities for Maintenance of Liquidity and Current Assets (the Program)

- **Subject of the Program:** The Program is related to the allocation of credit facilities to economic entities for liquidity management and working capital, in order to preserve the stability of the financial and economic system of the Republic of Serbia. Funds for implementation of this Decree/Program will be provided in the budget of the Republic of Serbia for 2020 in the amount of (approx.) EUR 204,000,000 intended for the implementation of the Program, in addition to the funds of the Development Fund of the Republic of Serbia (the Fund).
- **Who can use the funds:** Entrepreneurs, co-operatives, micro, small and medium-sized companies, which are mostly privately owned or owned by co-operatives, and which carry out production, service, trade and agricultural activity.
- **Who cannot use the funds:** 1. entities organizing games of chance, lotteries, and similar; 2. oil and petroleum products trade entities; 3. the production and marketing of any product or activity deemed prohibited under domestic regulations or international conventions and agreements.
- **General Conditions:**
  - to submit official regular financial statements for the previous two years in which it is shown that a net loss is reported but a profit has been made at least for one of the two years,
  - that the entity-applicants are not in difficulty i.e. not initiated insolvency proceedings, not subject to the pre-packed reorganization plan, or regular reorganization plan and related measures of the plan(s).
- **Special Conditions:**
  - repayment period of up to 36 months, which includes a grace period of up to 12 months,
  - the interest rate is 1% annually,
  - loans are approved and repaid in dinars,
  - minimum loan for companies (and related entities) is (approx.) EUR 8,500 and for entrepreneurs and cooperatives (approx.) EUR 1,700.
  - the maximum loan amount:
    - for entrepreneurs and micro-legal entities up to EUR 85,000,
    - for small legal entities up to EUR 340,000 and
    - for medium legal entities up to EUR 1,000,000.
  - monthly repayment annuities,
  - in the grace period interest is calculated and credited to the principal debt,
  - entity must retain the number of employees for a fixed and indefinite period of time on 16 March 2020, with a tolerance of up to 10% of the number of employees,
  - collaterals (bills of exchange by owners and guarantors, mortgages 1:1 market value, pledge on equipment 1:1 market value) depending on the amount of the loan,
  - management board of the Fund shall determine more detailed criteria and conditions.
- **Deadlines**
  - deadline for application: until the funds are available but not later than 10 December 2020,
  - deadline for decision: 31 December 2020,
  - realization deadline: 31 March 2021.
- **Organization and Supervision**
  - the Fund organizes, monitors and controls the intended use of funds of the Program.

## Decree on the Procedure for the Issuance of Debt Securities

- Focus of this decree is to ease the procedure for issuing debt securities. In that sense, the Serbian Securities Commission will approve the prospect within 10

working days from the day of receipt of all necessary documentation.

## Decree on postponing the deadlines for general assembly meetings, annual and consolidated financial reports, income and self-employment income tax returns filings, validity of licenses of certified auditors and real estate valuation which expire during a state of emergency

- The Decree defines the prolongation of the following deadlines during the state of emergency:
  01. Deadline for holding regular meeting of the company's general assembly - 90 days from the date of termination of the state of emergency (regular deadline - 6 months since business year expiry);
  02. Deadline for submission of annual reports i.e. annual financial statements with auditor's report for all taxpayers which reporting is governed by the Law on Capital Market, Law on Investment Funds or the Law on Open Investment Funds with a Public Offering - 60 days from the date of termination of the state of emergency (regular deadline - April 30);
  03. Deadlines stated in the Law on accounting in regards to the delivery of financial reports for public registration - 90 days from the date of termination of the state of emergency (regular deadline - June 30);
  04. Deadlines for filing corporate income tax and self-employment income tax returns - within the deadline for submission of the annual financial reports (see above point 3).

## Decree on conditions and criteria of conformity of state aid in order to eliminate harmful consequences caused by epidemic infectious diseases Covid-19

### • Scope and Criteria

- The eligible costs for the granting of state aid to eliminate the damage caused by the COVID-19 represent the actual loss incurred as a direct consequence of the COVID-19.
- The eligible costs are reduced by the amount of the advance paid by the state aid provider, business insurance or other compensations (arbitration awards, dispute awards, procedures, etc. in relation to the COVID-19).
- State aid is granted up to a maximum of 100% of the eligible costs.
- The decision on the justification and need for state aid to remedy the damage caused by COVID-19 is made by the state aid provider.
- State aid referred to in this Decree shall not be cumulated with other types of state aid.

### • Conditions (material)

State aid to eliminate damages caused by COVID-19 can be granted to those market participants if they clearly and unequivocally prove the cause and effect of the actual loss due to COVID-19, where:

- the total amount of aid does not exceed the amount necessary to cover the eligible costs;
- if state aid is granted under the scheme, the period of validity of the measure, total budget, aid instrument, intensity and beneficiaries are determined (estimated number of beneficiaries, sector of the economy and other relevant information);
- the actual loss did not occur as a result of non-compliance with the positive regulations during the COVID-19 i.e. such costs would be incurred regardless of the COVID-19;
- the market participant is not directly responsible for the occurrence of loss or is not responsible for gross negligence or knowingly contributing to the actual loss;

### • Conditions (formal)

- an independent appraiser's report, which must include the estimated amount and types of costs, the link to the COVID-19, the reference period for the occurrence of actual losses from this report, and other information relevant to the state aid provider's assessment;
- information on the existence of business or dispute insurance and other procedures that may be relevant to determining the justified costs;

- statement whether and on what basis a market participant has already been granted state aid for the same purpose (advance payment, debt write-off, etc.);
- statement on the obligation to repay excessive state aid



## Employment law and social protection measures

### Decree on Fiscal Incentives and Direct Grants to Private Companies and Citizens

- Most companies are entitled to non-refundable financial aid per employee, in amounts corresponding to the minimal monthly wage. Companies are entitled to 3 batches of aid in total, to be paid in May, June and July. Companies with employees need to apply for such aid by submitting a special form of personal income tax return, no later than 30 April 2020 for the first installment of the financial aid, that will be paid in May, and one additional such return for each month in which the aid is requested.
- In addition, this decree defines that individual citizens of legal age shall be entitled to receive a one-off cash grant in the amount of EUR 100 once the state of emergency is over.

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## Criminal law measures

### Criminal Offence

- Whoever, during an epidemic of a dangerous contagious disease, does not act in accordance with regulations, decisions or orders which determine measures for its suppression or prevention, shall be imprisoned up to three years.

- Based on a decree, during the state of emergency, in the criminal proceedings, the (presiding) judge may decide that the defendant's participation in the main trial shall be ensured through the technical means of transmitting sound and image (e.g. via skype).

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## Next Steps

- The National Parliament is in session. Some pieces of legislation have been adopted while some have been announced. Such legislation may affect the legislation presented herein.
- Please be careful with relying upon any of the presented piece of legislation or other information as the situation with termination and changes of the legislation

- entered during and after the state of emergency changes on daily basis.
- Details with the post state of emergency situation are yet to be followed, analyzed and presented.





## General Measures

- Obligatory quarantine in state facility for majority of persons entering Slovakia until they are tested for COVID-19, subsequent 14-day home quarantine required;
- Introduction of phone application replacing state quarantine, expected to be used starting next week;
- 4th phase of restrictions loosening implemented on 20 May – almost all shops and business premises may be opened;
- All shops must be closed on Sundays in order to allow sanitation and staff rest;
- Strict hygienic measures to be applied in opened shops, e.g. limited number of persons present in the shop, obligation to wear protective face mask, etc.;
- Restrictions in cross-border movement (entry into Slovakia is restricted with the exception of repatriation of citizens and specific cases such as workers in border areas or medical staff);
- Prohibition on organizing public events until further notice;
- Reopening of primary schools as of 1 June on voluntary basis;
- Declaration of „exceptional status“ for all medical facilities and social services providers;
- Closure of day-care facilities for pensioners;
- Temporary re-introduction of border checks (prolonged until 26 June);
- Obligation to wear a protective face mask in public when closer than 5m to other person;
- Body temperature measurement is obligatory when entering hospitals or factories, recommended also for supermarkets;
- Special opening hours (9:00 – 11:00) for people older than 65 years;
- Designation of some hospitals for treating COVID-19 patients only;
- Drive-through testing stations in front of hospitals;
- Recommendations for elderly not to use public transport and not to leave home unless absolutely necessary;
- People older than 65 years will be informed about important measures through text messages;
- Ban on export of selected drugs and protective materials from the country with sequential loosening;
- Ban on sale of FFP2/FFP3 protective face masks to general public.

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## Economic Measures

- Suspension on execution of lien/pledge, guarantee or public auction until 31 May;
- Option to vote and participate per rollam in general meeting of company even without relevant internal regulation;
- Suspension of legal deadlines for exercising rights from contracts or other relevant legal deadlines, which must be exercised in court from 12 March 2020 to 31 May 2020;
- Optional postponement of payments of the loan instalments without the negative effect for debtor recorded in loan registry for natural persons, self-employed persons and small/medium enterprises for up to 9 months;
- Approval of state aid scheme (approx EUR 2 billion) by the Commission;
- Declared intention to not impose the penalty for breach of selected obligations toward the state authorities;
- Option to apply for financial aid covering 80% of salaries paid to employees in cases of obligatory closed shops/premises;
- Option to apply for financial aid covering 20-80% of salaries paid to employees in cases of operating shops/premises, but with decrease in sales/turnover;
- Option to apply for indirect financial aid for small and medium enterprises – state may provide guarantee for bank loans or payment for bank loans' interests (up to EUR 200k);
- Option to apply for direct financial aid for self-employed persons;
- Wireless payments increased to EUR 50;
- Introduction of „temporary protection“ instrument, which puts on hold (until 1 October) several business instruments, such as insolvency proceedings, execution of lien and guarantee or execution proceedings;
- Protection against one-sided termination of lease contracts by landlord until 31 December 2020, if tenant's payment for April-June 2020 is overdue and the reason of non-payment is Covid-19 related;
- Approval of state aid scheme and related bill for both small/medium and large enterprises in form of state guarantees for loan, in order to help companies with cash-flow and liquidity;
- Approval of bill amending contractual obligation of parties involved in public cultural events, such as option to postpone the event without breach of contract, suspension of contractual sanctions, etc.;
- Approval of bill amending obligations resulting from contracts on provision of EU funds, mainly postponement of contractual and reporting obligations;
- Preparation of bill allowing travel agencies to propose new date of tour/travel with limited options of customer to refuse, new date may be proposed until September 2021;
- Ongoing talks on draft of regulation and state aid scheme to partially cover payments of commercial leases.

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## Employment law and social protection measures

- Recommendation to use home office;
- Amendment to Labour Code allowing both ordering or requesting home office;
- Possibility of applying for social insurance instruments, such as sick leave or treatment of family member (e.g. for parents);
- Possibility of ordering vacation by employer and modification in-advance period of required notice;
- All measures related to employment law are governed by Labor Code (or employment contract) with specific amendment to it due to the COVID-19;
- Postponement of mandatory health checks required for certain professions;
- Modification of conditions for social benefit while treating a family member and for sick leave benefit, mainly claim for such social benefits are paid by the Social Insurance from the first day of situation (previously paid by the employer for first part of the period);
- Possibility to apply for sick leave benefit while being in quarantine;
- Possibility for employers to apply for financial aid covering parts of salaries in order to preserve jobs (as mentioned in economic measures);
- Postponement of some of Health and Safety at work obligations, such as notifications/information to employees;
- Postponement of social insurance payments of selected categories of employers until 31 July 2020;
- Ongoing re-evaluation of regulations concerning „pendler workers“ (i.e. Slovak citizens living around borders in other countries and working in Slovakia or vice versa);
- Social welfare/benefits for natural persons without income;
- Automatic prolongation of various social protection instruments, which were to expire for the beneficiaries during the pandemic (e.g. parenthood benefits).

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## Next Steps

- Ongoing re-evaluations of measures taken on daily/weekly basis,
- Possibility of limited reopening of borders with Czech Republic and Austria expected in June.





## General Measures

- On 14 May 2020, Slovenian government declared an end of epidemic in Slovenia. Regardless, many measures remain in the effect.
- Educational institutions have reopened on 18 May 2020 for pupils of first triad of primary school (pupils of ninth grade of primary school are expected to return on 25 May 2020) as well as for the students of final year of secondary schools (preventive measures apply, e.g. size of study groups, masks...);
- Public transport has again started to operate on 11 May 2020 (preventive measures apply, e.g. protective masks, disinfection, distance...);
- Partial closure of state borders (restrictions were implemented),
- As of 18 May 2020 all shops and services have reopened (with the exception of accommodation establishments with over 30 rooms, spa treatments, wellness and fitness centers, swimming pools and water activities and night clubs, which remain closed).
- Self-isolation of the population, work from home etc., remain in the effect, however loosening of these measures can be noted;
- The Slovenian Government has adopted a Regulation, which provides that as of 18 May up to 50 people may be gathering in public places.
- A Regulation on the provisional conditions on performing sports activities has entered into force on 7.5.2020. The amendment of the Regulation provides that as of 23 May 2020 most sports activities may reopen.
- Provisional Measures Act has been adopted in relation to judicial, administrative and other public law cases to control the spread of the contagious disease SARS-CoV-2 (COVID-19). Pursuant to the provisions of this Act, no deadline shall expire in the period from the entry into force of the Act until 1.7.2020 (or earlier if the reasons for the measures taken cease):
  - court deadlines for exercising the rights of parties in court proceedings (whereby urgent court cases are excluded, unless otherwise decided by the President of the Supreme Court of the Republic of Slovenia);– court deadlines for lodging constitutional appeals;
  - court deadlines in administrative and other public-law matters that do not have the character of an administrative matter, for the performance of procedural actions of the parties, the fulfillment of their material obligations, and the court deadlines for such performance of procedural actions of administrative and other bodies;
  - court deadlines in misdemeanor cases;
- On 1.5.2020 the Act Amending the Act on provisional measures for judicial, administrative and other public matters to cope with the spread of infectious disease SARS-CoV-2 (COVID-19) entered into force, which lays down conditions for the proceedings in judicial, administrative and other public-law cases, provided that the procedures do not increase the possibility of spreading the virus infection and do not endanger the health and life of the participants in the proceedings.
- An Intervention Measures to mitigate the effects of the SARS-CoV-2 (COVID-19) infectious disease epidemic on citizens and the economy Act, adopted by the Slovenian Parliament, has been in force since 11 April 2020, in order to curb the covid-19 epidemic and mitigate its consequences for citizens and the economy. The Act provides:
  - additional measures in the field of education and science, in order to ensure a smooth process during the epidemic;
  - procurement thresholds have been modified;
  - As for Public Sector Contracts, the contractual penalties for delay are not applicable during the duration of the epidemic and the contractually agreed deadlines are extended for the duration of the epidemic;
  - etc.

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## Economic Measures

- The Slovenian Export and Development Bank (SID Bank) is preparing financial products to mitigate the financial consequences of the spread of coronavirus. Together with the Ministry of Economic Development and Technology, SID Bank will, as of April 2020, offer financial products in the total amount of EUR 800 million to large companies in order to successfully cope with the coronavirus crisis. These funds will primarily address corporate liquidity problems, including liquidity in the supply of services and products, problems due to reduced demand, production downtime, supply chain problems and investment problems, including in the form of collateral and refinancing of loans taken from banks;
- SID Bank will also adjust the assessment of the treatment of existing clients facing the consequences of coronavirus (e.g. financial commitments, insurance, moratoriums, demonstration of eligibility of financing purposes, etc.);
- In addition, SID Bank will modify or supplement some of the already existing financial products in the market in order to help manage liquidity crises in the tourism sector (which will also extend to the hospitality sector);
- At the same time, SID Bank is preparing the introduction of portfolio guarantees under European Cohesion Policy Funds that can be used by participating banks and savings banks to finance SMEs' investment and day-to-day operations. Companies will thus be able to improve their access to financing sources, even with more favorable borrowing conditions;
- A proposal of an Intervention Act to defer payment of tax liabilities to reduce the liquidity of companies is also being prepared. The detailed measures will be known in the following days;
- The Ministry of Economic Development and Technology and the Slovenian Enterprise Fund are currently designing measures to address micro, small and medium-sized enterprises with a total indicative amount of EUR 115 million. The money will be available for a variety of purposes, from new quick liquidity loans by the Slovenian Enterprise Fund, aimed at eliminating the liquidity crashes of SMEs, sole proprietorships and cooperatives due to the coronavirus and existing guarantees for bank credit protection, prioritized for new investments and by adjusting also for financing reverse funds to manage the effects of coronavirus;
- In order to mitigate the effects of the epidemic, the Parliament adopted an Emergency Measures Deferral Act. The Act stipulates that banks (including foreign branches) and savings banks shall grant a deferral of credit for 12 months to all borrowers who apply for and qualify. According to the Act, the following are considered as borrowers: companies based in Slovenia, cooperatives, sole proprietors, self-employed persons and agricultural holders.
- The Parliament also adopted an Act on Interventional Measures in the Public Finance Area, which determines:
  - the basis for extending tax returns deadlines and submitting annual reports (the new deadline is extended from 31 March 2020 to 31 May 2020);
  - provisions on deferral or installment payment of tax liabilities. In accordance with the Act it will be possible to defer tax for up to two years, or to pay tax in a maximum of 24 monthly installments over a period of 24 months, due to the loss of ability to generate revenue as a result of the COVID-19;
  - that no interest shall be charged for the deferred amount of tax or unpaid taxes (including default interest) during the period of validity of this Act.
- A new Intervention Measures to mitigate the effects of the SARS-CoV-2 (COVID-19) infectious disease epidemic on citizens and the economy Act, adopted by the Slovenian Parliament, has been in force since 11 April 2020, in order to curb the covid-19 epidemic and mitigate its consequences for citizens and the economy. The Act stipulates that a deferral of the borrower's obligations will be possible.
- On 1.5.2020 Act on additional liquidity to the economy to mitigate the effects of the COVID-19 infectious disease epidemic entered into force, which provides a guarantee scheme of the Republic of Slovenia for loans. Conditions apply (e.g. loan granted after 12.3. until 31.12.2020, maturity of loan does not exceed 5 years, it is obtained to finance working capital, the repayment of obligations from credit agreements concluded in the period from 13.3.2020 until this Act enters into force and investments in fixed assets). Total amount of guarantees shall not exceed EUR 2 billion. Tenants of business buildings or premises owned by the Republic of Slovenia or local communities, who cannot perform business due to state measures, are not going to be charged for rent for the duration of the COVID-19.

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## Employment law and social protection measures

- The existing legislation already provides some relief for employers (e.g. infected workers are entitled to temporary absence from work with paid sick leave charged to the Health Insurance Institute of Slovenia from the first day of absence);
- The Parliament also adopted the Act on the Interim Measure of Partial Reimbursement of Wage Compensation (in force since 29 March 2020), which aims to contribute to job retention for companies in the industries most affected by the SARS-CoV-2 virus outbreak;
- The Act regulates the partial reimbursement in the amount of 40% of salaries paid to employees who are temporarily unable to perform work due to the effects of the virus (if the employer fulfills the conditions laid down in the Act). Furthermore, the Act also regulates the reimbursement of salaries to employees who cannot work because due to the quarantine;
- A new Intervention Measures to mitigate the effects of the SARS-CoV-2 (COVID-19) infectious disease epidemic on citizens and the economy Act, adopted by the Slovenian Parliament, has been in force since 11 April 2020, in order to

curb the covid-19 epidemic and mitigate its consequences for citizens and the economy. On 1.5.2020 the Act Amending the Act Determining the Intervention Measures to Contain the COVID-19 Epidemic and Mitigate its Consequences for Citizens and the Economy, entered into force, which further broadens the range of beneficiaries of the measures, however limits the amount of the state aid to 800.000 EUR per undertaking (exceptions apply). The amendment provides:

- employers (whose employees are on temporary layoff or absent due to force majeure) are eligible for reimbursement of the entire salary compensation and exemption in respect of the payment of all social security contributions (on temporary layoff and employees absent due to force majeure) if their revenue will decline by more than 10% in 2020 compared to 2019.
- Additionally, employers (whose employees work during the times of epidemic) are exempted from payment of contributions for pension and disability insurance, but must pay each employee who works and whose last paid monthly salary has not exceeded three times the minimum salary a monthly crisis allowance of EUR 200.

- Additionally, the Act provides for exemption from contributions for self-employed persons and farmers (if the legal requirements are met);
- The Act provides for one-time solidarity allowance for seniors (who receive less than EUR 700 per month). The allowance will range from EUR 300 to EUR 130;
- Furthermore, the Act provides for a one-time solidarity allowance for other vulnerable groups of persons.
- The Act provides for financial assistance to farmers in the wake of the epidemic.
- The Act also provides for compensation of leaves due to illness or injury at the expense of compulsory health insurance - the compensation is fully paid by the National Health Insurance Institute of the Republic of Slovenia from the date when a sick leave commenced.

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## Criminal law measures

- No deadline for criminal proceedings shall expire until 1.7.2020 (some changes are expected in the following days regarding this date);

- Urgent matters are being processed as planned but the public is being generally excluded;

- Special regime in prisons apply – loosening of measures.

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## Next Steps

- It is expected that the Slovenian Government will adopt an additional (third) set of measures, aimed to support the economy and critical industries, e.g. as per the proposal vouchers in the amount of EUR 200 or EUR 50 will be provided to permanent residents in the republic of Slovenia (conditions apply) for the consumption in the field of domestic tourism. The proposal also regulates the possibility of a part-time work (in a combination with part-time temporary layoff) for those workers who have a full-time employment contract and a partial reimbursement of salary compensation.
- Considering that on 14 May 2020, Slovenian government declared an end of epidemic in Slovenia, it is expected that also measures regarding the court proceedings will no longer be in force (potentially as of beginning of June 2020).





### ROYAL DECREE 463/2020, OF 14 MARCH

- The main measures of Government and emergency powers that impact on attendance at the workplace are the following:
  - self-isolation at home,
  - closure of all learning centres including kindergartens, schools and universities,
  - closure of all shops and other business that are not related to primary needs (supermarkets, pharmacy, oil stations and banks).
- As part of the self-isolation guidance, commute to work is permitted, however, home base work is highly recommended.
- Private transport companies are obliged to reduce volumes at least 50% of its normal capacity.
- Private commute by car will be permitted following self-isolation guidance scenarios permitted.
- Public transport capacity will be reduced by 50%, except for transports used for commute to work in main cities which will keep higher frequency to avoid agglomerations.
- Movement of people has been restricted. Movement has only been allowed for the performance of certain activities (such as the acquisition of food, assistance to health centres, etc.).
- Temporary requisitions of all kinds of necessary goods may be carried out by the Government, as well as establishing personal obligations.
- On-site educational activity has been suspended.
- Commercial activities, cultural facilities, recreational establishments, hotel and restaurant activities and other additional activities have been suspended.
- Attendance to places of worship and civil and religious ceremonies has been limited.
- Measures to strengthen the national health system have been established (i.e. disposal by the Government of military and private hospitals).
- Measures to ensure the provision of goods and services (necessary for the protection of public health and food supply) have been established.
- Measures to ensure effectiveness in the following sectors have been established:
  - Transport.
  - Guarantee the supply of electrical energy, petroleum products and natural gas.
  - Ensure the provision of essential services.
  - Obligation to publish notices or communications from the competent authorities.
- With some exceptions, periods of limitation and expiration of any actions and rights and terms and deadlines foreseen in procedural laws have been suspended during the alarm state.
- Administrative terms have been suspended and the time limits for the processing of procedures by public sector entities have been interrupted.
- A penalty system has been established in relation to non-compliance with the authorities' orders.

### ROYAL DECREE 15/2020, OF 21 APRIL

- Measures to protect citizens:
  - The Spain Global Sports Foundation has been incorporated.
- More measures:
  - Measures relating to public contracts have been established.
  - Measures concerning the financing of tenants (in a situation of social and economic vulnerability) have been established.

### ROYAL DECREE 16/2020, OF 28 APRIL

It addresses some urgent organizational, procedural and occupational safety measures for the gradual return to the activity of the courts and tribunals after confinement, It

also seeks to deal with the foreseeable increase in cases in the judicial bodies following the production stoppage caused by the exceptional measures to contain the pandemic.

- Procedural measures:
  - The regulation of a special, preferential and summary procedure has been established (for family matters derived from Covid-19).
  - Preference in the following actions has been established: (i) cases of protection of children, (ii) cases in which a financial entity or a landlord does not recognize the moratorium on mortgages or on lease contracts, (iii) appeals against administrations for the refusal of aid to mitigate the economic effects derived from Covid, and (iv) labour matters related to layoffs or the termination of employment contracts.
  - The beginning of the procedural deadlines has been established from scratch (procedures that would have been suspended with the state of alarm).
- Procedural measures:
  - Preference of procedural acts by telematics means (except for criminal matters) has been established.
  - Customer service by telephone or e-mail has been established.
  - Days from 11 to 31 August have been declared as business days for litigation purposes.
- Organisational and technological measures:
  - Territorially assigned judges ("jueces de adscripción territorial") (judges who act as reinforcements) may be assigned preferentially to cases arising from Covid-19.
  - Legal practitioners in the administration of justice ("letrados de administración de justicia") have been authorized to carry out replacement and reinforcement work.
  - Officials from each court, tribunal or prosecutor's office may perform their duties in another unit (of the same locality and of the same jurisdictional order).
  - The possibility of two working shifts (morning and afternoon) has been established (all courts).
  - Enable and improve the use of identification and digital signature systems in the administration of justice.
  - Establish a general obligation for both the Ministry of Justice and the Autonomous Communities with competences in this area to ensure that the procedural management systems of the courts and tribunals of all the Autonomous Communities allow for teleworking.

### MINISTERIAL ORDER 388/2020, OF 3 MAY

Ministerial Order (Órden Ministerial) SND/388/2020 whereby the Spanish government initiates the moderation of the restrictions established by the declaration of the state of alarm (estado de alarma). The main measures adopted by the government are the following:

- Reopening of certain retail stores and professional service activities under specific conditions (i.e. prior appointment is required, preferential opening hours for people over 65, etc.). For these establishments, the collection of purchased products on the premises is allowed when a staggered collection without agglomerations is guaranteed.
- With regard to restaurants, the possibility of collection of products by the customers in the establishment, provided that certain measures of hygiene, prevention and capacity are respected, (in addition to the home delivery service already allowed).
- Establishment of the specific conditions under which the return to professional sports activity should take place in the first phase of relaxation of restriction measures.
- Reopening of official files.

### MINISTERIAL ORDER 400/2020, OF 9 MAY

- The plan to reduce measures ("desescalada") has been implemented in some territories of Spain. Higher mobility is allowed in certain territories, as long as safety measures (such as the use of masks) are maintained.

### MINISTERIAL ORDER 414/2020, OF 16 MAY

Restrictions have been further reduced in certain territories:

- Measures concerning circulation and assistance to places of worship have been reduced.
- Weddings are allowed (for a limited number of attendees).
- Shopping centres and parks are reopened (limiting the number of people).
- Restaurants are reopened (as long as certain safety measures are fulfilled).
- The Autonomous Communities may allow visits from a relative (as long as certain safety measures are fulfilled).
- Common areas of hotels are reopened (limiting the number of people).
- Establishments intended for cultural events and performances are reopened (as long as certain safety measures are fulfilled).
- Congresses, meetings and conferences are allowed (as long as certain safety measures are fulfilled).

### MINISTERIAL ORDER 422/2020, OF 19 MAY

The use of the mask is compulsory on public roads and under certain circumstances (as long as certain safety measures such as the distance of 2 metres are not complied with).

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**ROYAL DECREE 8/2020, OF 17 MARCH**

- Measures to protect employees, families and the most vulnerable groups:
  - Care has been guaranteed for the elderly, the disabled or anyone in a dependency situation.
  - The supply of electricity, natural gas and water has been guaranteed.
  - The maintenance of electronic and telephone communications has been guaranteed.
  - The price of liquefied petroleum gas (butane) has been settled.
  - Mortgage payments delays have been allowed with respect to the main residence of the most vulnerable borrowers (unemployed borrowers, entrepreneurs or some professionals).
  - The deadlines related to products purchased online or in person have been interrupted.
- Measures to support productive stability:
  - Extraordinary payment has been provided for to self-employed workers in the event of cessation of activity.
  - Mortgage payments delays have been allowed for main residence of self-employed workers.
  - The possibility of granting guarantee lines by the Government (for a maximum amount of € 100,000 million to obtain loans from financial entities) has been provided.
  - The ICO (“Instituto de Crédito Oficial”) has extended its debt limit to € 10,000 million to provide additional financing.
  - The expansion of the ICO’s debt capacity through the creation of an extraordinary line of insurance coverage for a maximum of € 2,000 million.
  - The deadline to expire for entries, annotations and marginal notes subject to cancellation has been suspended.
  - The deadlines to request a declaration of bankruptcy have been extended.
  - Measures related to certain public contracts have been established (in case of unfeasibility and extension of deadlines) as well as a specific procedure related to the suspension of public sector contracts.
  - Simplification of agreements with Public Administrations related to COVID-19 has been established.
  - The suspension of the regime of liberalization of certain foreign direct investments in Spain affecting public order, public security and public health has been regulated.
  - Extraordinary measures have been set out for legal persons governed by private law:
    - Governing bodies, delegated commissions and other compulsory or voluntary meetings may be held by videoconference or in writing.
    - The deadline to formulate annual accounts has been suspended.
    - The possibility of amendment or revocation of the call of the Shareholders’ Ordinary General Meeting of Companies which had been published before the alarm state.
    - The deadline to exercise the right of separation of the shareholders has been suspended (even if there is a legal or statutory cause).
    - The reimbursement of contributions to cooperative shareholders (who cease to be shareholders during the alarm state) has been extended.
    - The term for the call of the shareholders meeting by the administrators of a Company which is in a compulsory dissolution legal situation has been extended until 2 months after the end of the state of alarm.
- Measures have been established for listed companies:
  - The obligation to publish and submit its annual financial report to the CNMV and the audit report of its annual accounts may be fulfilled up to 6 months from the end of the financial year. This period will be extended to 4 months for the publication of the interim management statement and the half-yearly financial report.
  - The Ordinary General Meeting of Shareholders may be held within the first 10 months of the financial year.
  - The Board of Directors may provide in the announcement of the General Meeting

the attendance by telematics means and remote voting, even though not being foreseen in the by-laws.

- Specifications have been established in the event that the measures imposed by the public authorities prevent the General Meeting from being held in the place and physical location set out in the announcement.

- Measures to strengthen the action against the disease:
  - Extraordinary credits have been authorised in order to provide the “Consejo Superior de Investigaciones Científicas” (CSIC) and the “Instituto de Salud Carlos III” (ISCIII) with the necessary budgetary resources to meet the scientific and research challenges arising from the health emergency caused by COVID-19.
- Rules applicable to possible compensation for damages arising from the current health crisis:
  - The application of Royal Decree 307/2005, of 18 March, which regulates subsidies in response to certain needs arising from emergency situations or of a catastrophic nature, has been excluded and the procedure for granting them has been established.

**ROYAL DECREE 11/2020, OF 31 MARCH**

- Measures focused on families and vulnerable groups
  - The eviction procedure for vulnerable households (without alternative housing) may be suspended under certain circumstances.
  - Lease agreements for main residence may be unilaterally extended by the lessee.
  - Obligatory application of a rental debt moratorium or rent reduction in favor of economically vulnerable lessees has been established (in the case of large tenants and public companies).
  - A line of public guarantees for vulnerable lessees financing has been approved.
  - A new aid program has been set up to reduce the economic and social impact of COVID-19 on the rental of main residence.
  - A new program has been set up to help (i) victims of gender-based violence, (ii) people who have been evicted from their main residence, and (iii) people who are particularly vulnerable.
  - Measures to suspend contractual obligations arising from loans or credits (without mortgage guarantees) for vulnerable people have been established.
  - The supply of electricity, oil products, natural gas and water has been guaranteed.
- Consumer protection measures
  - The right of consumers and users to terminate certain contracts without penalty has been established.
  - Measures to restrict commercial communications by entities carrying out a gambling activity have been established (under Law 13/2011 of 27 May on gambling regulation).
- Measures to support industrialization
  - The flexibility of electricity supply contracts for the self-employed and companies has been established.
  - Flexibility in natural gas supply contracts has been established.
  - Electricity, natural gas and oil product bills of self-employed small-sized companies may be suspended.
  - Financial aid (amounting to € 15 million) has been approved to compensate for part of the costs of the providers of state-wide digital television (audiovisual communication services).
- More measures
  - Measures related to the deadlines for the formulation and filing of annual accounts for the 2019 financial year by State public sector entities and for the submission of the State’s General Account to the Court of Audit have been established.

- Possibility of deferral of the repayment schedule for loans granted by Autonomous Communities and Local Entities to entrepreneurs and self-employed persons affected by the COVID-19 has been established.
- Article 40 of Royal Decree 8/2020, of 17 March has been amended. In this sense, the possibility of holding meetings and boards of directors by video or multiple telephone conference has been established. Measures related to the deferral of the approval of the application of the result of the company have also been established.
- The suspension of the regime of liberalization of certain foreign direct investments has been extended to Spanish companies with an ultimate foreign shareholding over 25%.
- The legislation on public sector contracts has been amended. In this sense, the duration of supply and service contracts, for the provision of subsequent services, may exceed 5 years (under certain circumstances).

**ROYAL DECREE 15/2020, OF 21 APRIL**

- Measures to reduce the costs of SMEs and self-employed workers:
  - Renegotiation measures and deferment of payment of rent (for non-residential use) with a public housing company/entity or large holders have been established.
  - Measures have been established for renegotiation and deferral of the payment of rent for non-housing use, (in the case of lessors other than a public housing company/entity or large holder).
- Measures to reinforce business financing:
  - The deferral of instalments on loans granted by the Institute for Energy Diversification and Saving, M.P. (Instituto para la Diversificación y Ahorro de la Energía) under its grant programmes has been established.
  - The Insurance Compensation Consortium (Consortio de Compensación de Seguros) has been authorized to reinsure credit and surety insurance risks.
  - Financing measures for businesses or the self-employed have been established.

**ROYAL DECREE 16/2020, OF 28 APRIL**

- Measures to deal with the foreseeable increase in insolvency proceedings in the commercial courts:
  - During the year following the declaration of the state of alarm, the company or self-employed person in bankruptcy may present a proposal to modify the bankruptcy agreement that was in a period of default.
  - The duty of a debtor who has an agreement with creditors and is likely to be unable to comply with it is postponed for one year from the date of the declaration of the state of alert, provided that he submits a proposal to amend the agreement.
  - Debtors who have an approved refinancing agreement are allowed to submit a proposal for modification or a new application without the need of a period of one year from the previous application.
  - Companies or self-employed persons who are in a state of insolvency will not be required to apply for a declaration of insolvency until 31 December 2020.

**ROYAL DECREE 17/2020, OF 5 MAY**

- Support measures have been established to the cultural sector. Granting of subsidies to the “Sociedad de Garantía Recíproca Audiovisual”.
- Measures to support employees (cultural sector). Extraordinary access to unemployment benefit has been made available.
- Extraordinary support measures (for the scenic and musical arts).
- Measures related to the film sector (extraordinary credit for financing).
- Measures related to the book and contemporary art sector.





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### ROYAL DECREE 8/2020, OF 17 MARCH

- Preference and priority has been given to teleworking.
- Measures for labour conciliation have been established (timetible and reduction of working hours for the care of relatives).
- Measures to support the digital environment have been established. Measures have been provided for the development and provision of SMEs (digital development).
- Procedures for suspension and reduction of working hours for economic, technical, organizational and production reasons have been established:
  - Temporary employment regulation file (“ERTE”) by force majeure.
  - Temporary employment regulation file (“ERTE”) for productive, technical and organizational reasons.
- Guarantee lines.
- Possibility of extending by 1 year the repayment period of loans taken out by farmers affected by the 2017 drought.

### ROYAL DECREE 10/2020, OF 29 MARCH 2020 (this Royal Decree is no longer applicable as of 9 April)

Approved with the purpose to limit the mobility of people as much as possible between 30 March and 9 April, in order to reduce it to levels that allow the spread of the virus to be controlled:

- A “recoverable paid leave” is regulated, which is obligatory for employees who work in public or private sector companies or entities and whose activity has not been paralyzed as a result of the declaration of the state of alert (RD 463/2020, of 14 March), between 30 March and 9 April 2020, except for those employees who work in some specific sectors qualified as “essential” and other exceptions.

### ROYAL DECREE 11/2020, OF 31 MARCH

- Measures focused on families and vulnerable groups:
  - The right to the extraordinary allowance for lack of activity has been established for persons integrated in the special system of household employees of the general social security system.
  - The right to receive the social bonus has been established for self-employed workers who have ceased their activity or had their turnover reduced.
- Support measures for the self-employed:
  - A possible moratorium on social security contributions has been established.

– A possible deferred payment of social security debts has been established.

#### • More measures:

- The extension of the contracts of teaching and research staff (whose termination was foreseen in the state of alarm) has been established.
- The availability of pension plans, in the event of unemployment or cessation of activity, has been established.
- Allowance for employees with temporary contracts terminated after the declaration of the state of alert
- The compatibility of childcare allowance and unemployment or cessation of activity (during the state of alert) has been established.
- Bankrupt companies may also apply the procedures established in Royal Decree 8/2020, of 17 March (related to the temporary employment regulation file (“ERTE”) due to force majeure and objective causes).

### ROYAL DECREE 13/2020, OF 7 APRIL

- Measures to support the temporary employment of workers (in the farming industry):
  - Extraordinary measures have been established to make employment more flexible, (of a social and employment nature), necessary to ensure the maintenance of farming activity during the state of alert, and which will be applied temporarily until 30 June 2020.

### ROYAL DECREE 15/2020, OF 21 APRIL

- Measures to facilitate economic adjustment and protect jobs:
  - The use of the Cooperative Promotion and Education Fund (Fondo de Promoción y Educación de las Cooperativas) has been made more flexible in order to mitigate the effects of the Covid-19.
  - The deadline for obtaining the classification as a labour company has been extended.
  - The deadline for teleworking has been extended (2 months), as well as the right to adapt working hours and reduce working hours.
  - The termination of the employment relationship during the trial period (at the request of the company produced from 9 March 2020), will be considered as a legal situation of unemployment.
  - Regulations have been established for the exceptional availability of pension plans in situations arising from the Covid 19.
  - The requirements for inclusion in the Special System for the Self-Employed in

Agriculture (Sistema Especial para Trabajadores por Cuenta Propia Agrarios) have been amended.

- The deadlines governing the operation and action of the Labour and Social Security Inspectorate have been suspended, both in terms of verification actions and compliance with requirements.
- An extraordinary deadline has been established for election of a mutual insurance company, (for those workers in the special social security scheme for self-employed workers).
- The regulation of the ERTES has been amended due to force majeure, (allowing partial force majeure).
- Mechanisms to control and sanction fraudulent behaviour by companies have been reinforced.
- The procedure for resolving the deferral of social security debts has been simplified.

### ROYAL DECREE 16/2020, OF 28 APRIL

- ERTES (when the threshold for collective dismissal has not been reached) may be governed by a simplified and faster process (such as the collective dispute).

### ROYAL DECREE 18/2020, OF 12 MAY

- Measures related to ERTES derived from the Covid-19:
  - Extension of the ERTES situation derived from force majeure (Covid-19) until 30 June.
  - Extension of the ERTES due to economic, technical, organizational and production reasons.
- Extraordinary measures in terms of contributions:
  - Exemption of Social Security contributions in May and June 2020 (for companies which have applied a force majeure ERTE).
- More measures:
  - Measures to safeguard employment have been established (only for force majeure ERTES).
  - Limits related to the distribution of dividends have been established.
  - The Council of Ministers has been empowered to extend the duration of the ERTES by force majeure after 30 June (if the restrictions linked to Covid-19 remain in place).
  - A tripartite Labour Monitoring Commission (“Comisión de Seguimiento tripartita laboral”) has been set up.

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## General Measures

### General Measures

- On April 7 2020, the Swedish Government adopted a government bill authorizing the Government to carry out necessary and proportionate adaptive measures for a limited period to address the effects of the coronavirus.
- Gatherings with 50 people or more are prohibited.
- Larger social gatherings (less than 50 people) are permitted but advised against.
- All non-essential travel to Sweden has been halted and unnecessary travel worldwide has been advised against.
- People are advised to avoid travelling in rush hour traffic and avoid unnecessary domestic journeys.
- In line with other European countries, Sweden has closed its border to non-European citizens.
- All people returning from abroad are advised to self quarantine during the following 14 days.
- Public and domestic transport is still running, but multiple departures have been cancelled.
- The Government has taken measures to ensure transports of goods and people for critical societal purposes to more distant parts of Sweden (Norrland and Gotland).
- Measures have been taken to facilitate for annual general meetings despite social distancing recommendations.
- The Government has decided to temporarily remove performance requirements for the so-called "queue billion" for municipalities and regions.

### Health and Safety

- The Swedish Government has presented a range of different measures to limit the spread of the COVID-19 virus. The Government's policy and decision aims to

limit the spread of infection in the country, ensure that health care resources are available, limit the impact on critical services, alleviate the impact on people and companies, ease concern, e.g. by providing information and ensuring that the right measures are taken at the right time.

- The Public Health Agency (Swe. "Folkhälsomyndigheten") advises everyone with symptoms to reduce the risk of spreading the virus by avoiding social contact. Those above the age of 70 are advised to avoid social contact.
- The Government has decided to impose a ban on visiting all of the country's retirement homes to prevent the spread of COVID-19. The operations manager for each residence may in individual cases allow exceptions to the ban if there are special circumstances which motivates for such and if the risk of spreading the coronavirus is small.
- The Public Health Agency has issued regulations, supported by the Communicable Diseases Act, explaining what actions must be taken by restaurants, bars, and cafés in Sweden to decrease the risk of transmission of COVID-19. Crowds of people in queues, at tables or along buffets or bars must be avoided. Visitors must be able to keep a distance from each other. Restaurants should primarily aim to adapt their routines to minimize the risk of disease transmission. A Communicable Diseases Officer may order a venue to be closed if regulations are not followed.
- The scope of intensive care has increased, e.g. by help from the military with provision of a field hospital, medically knowledgeable staff and transport of medical patients. The responsible authority is The National Board of Health and Welfare.
- The Public Health Agency has been given responsibility to coordinate the work on expanded sampling of COVID-19 in Sweden. The National Board of Health and Welfare has been assigned the task of identifying the groups that are most at risk of suffering from a particularly serious disease course.
- The Swedish Civil Contingencies Agency, together with expert authorities, has been commissioned to produce information materials and distribute to Swedish

households.

- The Health and Social Care Inspectorate has been commissioned to analyze in particular what COVID-19 means for the quality and safety of care.
- The National Board of Health and Welfare has been appointed national purchasing center to medical supplies, protective equipment and certain medical technical equipment. The Swedish Work Environment Authority has been assigned to ensure that there is a procedure for providing non-CE-marked personal protective equipment for socially important occupational groups. At the initiative of the Government, several Swedish companies have started to change their production to ensure domestic production of personal protective equipment for the health care. The state research institute Rise is responsible for quality control.
- The Government is working internationally to lift the export restrictions imposed by other countries on medical protective equipment.
- To facilitate import of disinfectant to Sweden, the Government has temporarily changed the rules that require the products to be labeled in Swedish.
- People in risk groups, health care professionals and staff in other critically important operations are prioritized for tests related to COVID-19.
- Pharmacies are restricted to supply pharmaceuticals to cover a maximum of three months of each patient's requirement to avoid any individual stockpiling of medicine. This is a precautionary measure to avoid any supply shortage.

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## Economic Measures

### Financial Measures

- The flight industry has received increased credit guarantees during 2020.
- Lessors within certain industries can receive compensation for rent reductions between April 1 and June 30 2020.
- Organizations within cultural areas (museums, theatres etc.) receive their Governmental financing earlier this year due to a decrease in visitors.
- The cultural sector and sports sector receive SEK 1,000,000,000 in financial aid.

- The Government has allocated resources to compensate for extraordinary costs for the health care sector, the public transport and the schools, to secure jobs within these critical sectors.
- Companies may apply for three months' of tax deferrals in relation to VAT.
- Employers may apply for three months' of tax deferrals in relation to preliminary taxes on salary and employer social security fees.
- Temporary reduction of employer fees and deductibles during March 1 – June 30 2020 for small and medium-sized enterprises and the self employed.

- A tax reduction has been introduced targeting primarily the self-employed and partnerships, allowing businesses to allocate 100% of profits for the 2019 financial year to the tax allocation reserve (up to a maximum of SEK 1 million), postponing tax payments for a maximum of six years (in line with current regulations).
- A central Government loan guarantee has been introduced which allows 70% of new loans to companies that experience financial difficulties due to COVID-19, to be guaranteed by the Government.





## Employment law and social protection measures

### Employment Law Measures

- A new system for short-time work allowance has been approved to facilitate for employers experiencing temporary and serious financial difficulties that have arisen in the wake of the coronavirus.
- The first day of sick leave is no longer a qualifying day, meaning that sick pay is paid from the first sick day.
- The medical certificate requirement from the eighth calendar day of a sick pay period is temporarily suspended.

- The quarantine allowance is increased.
- Social security charges have been decreased by 66% for a maximum of 30 employees per employer.

### Social Protection

- The Ministry of Foreign Affairs and the embassies are providing Swedish citizens abroad with the latest information.
- Working from home is strongly encouraged but not enforced, especially for Stockholm residents.

### Education

- A new act allows the Government to temporarily close preschools, schools, out-of-school centers and other educational activities. The act also gives the responsible entity the right to temporarily close an educational activity in specific cases. There are currently no plans to close compulsory schools and preschools. The Government has made preparations to ensure – should the situation change – that care is available for children and pupils whose parents work in areas vital to society.

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## Criminal law measures

- Increased measures have been taken to ensure protection of women, children and individuals from domestic violence.

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### Government Suggestions

- It has been suggested to lower the requirements for receiving unemployment insurance (Swe. "a-kassa").
- Aid packages have been suggested to reduce the impacts for jobs and companies, with reduced employment costs and increased loans.
- Gaming including monetary betting or monetary inserts are suggested to have increased restrictions during 2020 due to increased risk of unemployment, sick leave and financial instability.

- An increased financial support of media has been suggested.
- The Government has proposed that SEK 100 million should be set aside to finance research linked to COVID-19.





## General Measures

### Federal measures

On 13 March 2020, the Swiss Government has declared the extraordinary situation under the terms of the Swiss Epidemic Act and has issued an ordinance on the measures to combat the coronavirus (COVID-19 Ordinance 2), which is updated regularly.

The main measures are as follows:

- Ban on gathering of more than 5 people in public areas
- Closures of school, universities and other education and training facilities
- Ban on public and private events
- Closures of publicly accessible establishments/business with certain exceptions.

Exempt are in particular food stores, healthcare facilities, pharmacies, public services, sales points for telecommunication, hotels, social work establishments, funerals within the close family.

- Travel restrictions for cross-border travellers

**These measures remain in force until 26 April 2020. For measures valid as of 27 April 2020, please see "next steps"**

Furthermore, up to 8'000 military person can be ordered to serve, in particular in hospitals and elderly homes as well as for border controls.

In addition, the Swiss Government has requested the population to stay at home and keep a minimum distance of 2 m to other people when outside one's home. There is no general obligation to wear masks.

### Cantonal measures

- Cantonal measures are only possible for cantons in special risk situations. Currently, only the Canton of Ticino fulfils this requirement.
- Additional measures in the Canton of Ticino include:
  - Hotels may not host more than 50 people (incl. hotel staff) at the same time
  - Closure of construction sites
  - People at high risk have been requested to stay at home and only leave the house for medical or unavoidable professional reasons
- These remain valid until 3 May 2020.

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## Economic Measures

### COVID-19 loans for SMEs

- The Swiss Government has introduced government-guaranteed loans from Swiss banks as an interim measure for Swiss small and medium sized companies ("SMEs") to help them alleviate their liquidity problems due to COVID-19. It expects to provide SMEs with a total of CHF 40bn in financing:
- SMEs can apply for loans up to 10 % of their annual turnover, up to a maximum of CHF 2 million:
  - Demands of up to CHF 500'000 They will be guaranteed by the Swiss Government and will carry no interest rate.
  - Demands in excess of CHF 500'000. They will be guaranteed 85 % by the Swiss Government whilst the primary bank provider will bear the risk for the remaining 15%. The annual interest rate is currently 0.5 %. Therefore, standard credit checks have to be imposed on the borrowing entity and the approval process may be slower.
- To be eligible for COVID-19 loans, SMEs need to meet the following criteria:
  - Established/incorporated prior to 1 March 2020;
  - No ongoing debt collection or liquidation proceedings;
  - Significant negative impact on the turnover due to the COVID-19 pandemic;
  - Not benefiting from federal financial support measures introduced in the areas of culture or sport;
  - The annual turnover must be lower than CHF 500 million.
- Restrictions apply for the duration of the guarantee, e.g. no payments of dividends and no transfer of funds to parent-companies abroad.
- The guarantees by the Swiss Government last for 5 business years with a

possibility for extension up to 2 years.

- Guaranteed loans have to be repaid within 5 business years at the latest.
- The banks may provide the respective companies/individuals additional loans in connection with the respective government backed loans at their own risks.

### COVID-19 loans for start-ups with good prospects

- The Swiss Government has introduced COVID-19 loans for start-ups with good prospects.
- Start-ups may be eligible if they:
  - suffer from significant financial and liquidity problems due to COVID-19
  - are domiciled in a participating canton and were founded before 1 March 2020
  - are constituted as companies limited by shares (AG) or as company with limited liability (GmbH).
  - are not operating in the agricultural sector
  - are not in a bankruptcy or composition proceeding or in liquidation.
- Start-ups can apply for loans of up to a 1/3 of their 2019 running costs (maximum CHF 1 million per company).
- The loans will be guaranteed at 65 % by the Swiss Government and at 35 % by participating cantons (or third-party). As per 20 May 2020, 15 cantons are participating.
- Respective Applications can be handed in between 7 May 2020 and 31 August 2020.

### Financial help for the aviation sector

- The Swiss Government has decided on 29 April 2020 to support Swiss and Edelweiss to bridge liquidity shortfalls. It will guarantee 85 % of the funds drawn (up to a maximum of CHF 1,275bn). The loan is secured by Swiss and Edelweiss shares, but the Swiss Government does not envisage a holding in either company.
- Aviation-related businesses at national airports and national airports may also benefit from necessary support provided that the stringent conditions can be met.
- State funds are subject to the following conditions:
  - Sufficient collateral must be available. Companies and their owners have to implement all reasonable measures to mitigate liquidity shortfalls before being eligible to state funds are of secondary nature.
  - Guaranteed funds must be solely used for the Swiss infrastructure, i.e. no funds must be transferred to parent companies abroad.
  - Funds generated in the future must be primarily used to repay the received loan, i.e. no dividend or intra-group repayments.
- The Swiss Government has asked Parliament for guarantee credits of CHF 1,875bn in total.

### Financial help for other sectors

- Businesses in the culture, sports and tourism sector may access loans, subventions and compensation for loss of income. The financial support for the culture sector has been extended until 20 September 2020.

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## Employment law and social protection measures

### Deferral of social security contributions

- Since 19 March 2020, Swiss companies and self-employed persons whose turnover has declined due to COVID-19 are able to defer the payment of social insurance contributions (AHV, IV, EO, IV, UI) for 6 months and without interest.
- They will also be able to adjust the usual amount of the advance payments made in respect of these insurances in the event of a significant fall in the wage bill.
- Until the end of June 2020, the social security authorities will also stop sending reminders for unpaid contributions and waive interests on late payments.

### Contributions to pension schemes

- Since 26 March 2020, employers may temporarily use the employer contribution reserves to pay employee contributions to pensions schemes for a period of 6

months to allow them to deal with liquidity issues.

- This measure has no effect on employees. Their employee contribution part are deducted from the salary as in normal circumstances and all contributions are credited to employees by the pension fund.

### Tax payments

- The Swiss Federal Tax administration has waived the late payment interest for direct and other taxes due between 1 March 2020 and 31 December 2020.
- A majority of cantonal tax administrations have extended payment deadlines or have waived late payment interests for cantonal and communal taxes.
- Tax laws at federal level and cantonal level, allow taxpayers in case of hardship to request a deferral of payments due without any late interest on open tax

payments (e.g. following a final assessment).

### Deferral of bankruptcy and temporary deferral in probate proceedings

- The Swiss Government has introduced two temporary measures aimed at protecting companies from the threat of bankruptcy as consequence due to liquidity shortfalls:
  - i. a temporary deferral in probate proceedings, the so-called COVID 19 deferral, for small and medium-sized enterprises that have run into financial difficulties solely as a result of COVID-19.
  - ii. a temporary exemption from reporting over-indebtedness for any company, which was financially healthy at the end of 2019 and where there is a chance that over-indebtedness can be remedied after the current crisis.

### Short-time work compensation for COVID-19

- Employers who suffer loss of work amounting to at least 10 % of the hours usually worked can apply for short-time work compensation if
  - i. the work of loss is due to economic reasons or official measures with an adequate causal link to COVID-19; and
  - ii. is likely to be of temporary nature and it can be expected that short-time work will maintain jobs.
- Short-time work requires the consent of each employee.
- The compensation paid by the unemployment fund is at 80 % of the loss of earnings attributable to the loss of work hours.
- The maximal insured annual salary is CHF 148'200.
- Social security contributions on employer's side are still due on the full salary, but will be reimbursed at 6,225% of the compensation. Social security contributions on the employee's side are also due on the full salary, unless there is a different agreement between employer and employee.
- Covered are all employees in a unterminted employment, who have not yet reached the retirement age, incl. employees with a fixed-term contract, on-call workers, apprentices and temporary workers.
- The Swiss Government has extended the circle of covered persons to Employees in an employer-like position (e.g. CEO of a limited company) and their spouses. In these cases, the compensation is a lump-sum of CHF 3'320 for a full-time employment.
- The Swiss Government has also ruled that no waiting period or grace period apply and that overtime does not need to be compensated before short-time work compensation is applied for.
- The application process has two stages: It requires an initial pre-notification to the competent cantonal authority (valid for 6 months) followed by monthly applications for reimbursements with the unemployment fund.

### Special protections for employees at high risk ("particularly vulnerable employees")

- Employees at high risk are entitled to home office. Where they cannot perform their role from home, the employer has to provide them with equivalent work performable from home. In either case, the employer has to take all appropriate measures to ensure remote work.
- If operational reasons require the full or partly presence of employees at high risk at the employer's premises, the employer has to meet the following requirements:
  - All contact to other persons must be omitted, either by a separate office in a single room or separated work place with at least 2 metres distance.
  - Where close contact to other persons cannot be avoided, all appropriate protection measures need to be put in place (in particular personal protection gear as other technical/organisational measures).
- Where neither remote work from home (regular or equivalent role) nor regular role with the above listed safety precautions are possible, the employer has to provide an equivalent role at its premises in which he can ensure the above safeguards. Before taking the prescribed measures, the employer must consult with the employees in question.
- In case none of these options are feasible or where the concerned employee does not agree with the measures, the employer is required to put the employee on paid leave.
- According to the legal definition, a particularly vulnerable person is in general any person, who is beyond the age of 65 or who has a pre-existing medical condition, i.e. i.e. high blood pressure, diabetes, cardiovascular diseases, chronic respiratory diseases, cancer or other diseases or therapies, which weaken the immune system. The Federal Office for Public Health ("FOPH") has now published a list specifying the categories of particularly vulnerable employees.

### Protection concepts

- Businesses that are allowed to run or take up their operations are required to have protection concepts in place for the protection of clients, visitors and any

person working at their premises. These concepts are to developed by their specific trade organisation and have to be in line with the health and labour law requirements as defined by the FOPH and the State Secretariat for Economics (SECO).

### Compensation for loss of income of employees

- The loss of earning insurance covers the loss of income for employees,
  - i. who cannot come to work because they have to take care of their children (beyond the age of 12); or
  - ii. who have been put under medical quarantine.
- The compensation is 80 % of the lost salary up to a maximum daily allowance of CHF 196.
- The compensation will be paid for a maximum of 10 days in case of a quarantine. In case of childcare, the entitlement cedes either when alternative childcare is guaranteed again or with the end of the measures due to COVID-19.

### Compensation for loss of income of self-employed persons

- Self-employed persons, who suffer directly or indirectly a loss of income due to official measures (school closures, business closure, medical quarantine) can apply for loss income compensation unless they are compensated by a separate insurance scheme. In case of self-employed persons that are affected indirectly, their annual salary must be within the range of CHF 10'000 to CHF 90'000.
- The compensation is 80 % of the lost income up to a maximum daily allowance of CHF 196 and for a maximum of 30 days (if due to childcare). In any other case, their entitlement ceases with the end of the measures due to COVID-19 or for indirectly affected self-employed persons on 16 May 2020 at the latest (i.e. maximum entitlement two months starting on 17 March 2020).
- Self-employed persons, who were allowed to open their business on 27 April 2020, but may still suffer from loss of income due to the current situation (e.g. they may not serve clients at their full capacity due to existing protection concepts) will continue to be entitled for compensation until 16 May 2020.

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### Additional criminal measures

Art. 10f of the COVID-19 Ordinance 2 foresees further criminal measures in addition to the Swiss Criminal Code:

- Custodial sentences of up to three years or monetary penalties for business owners, who do not comply with the ban on public and private events respectively with the officially ordered closure of their publicly accessible establishments, unless a more serious offence under the Criminal Code has been committed.

- Fines of CHF 100 in case of violation of the ban on gathering of people in public area, of the restrictions on cross-border transport at border crossing as well as of the ban on shopping tourism.
- Fines for any company exporting protective equipment or essential medical goods without possessing the necessary licence.

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## Next Steps

### Staggered way out of the lockdown

On 16 April 2020, the Swiss Government has decided on a staggered approach consisting of up to date three phases:

#### • Phase 1 (as of 27 April 2020)

The following facilities are allowed to take up operations:

- Stationary and ambulant medical facilities (incl. performance of any kind of operations).
- Hairdressers, beauty and massage salons, tattoo studios and other businesses offering personal services with physical contact
- DIY stores and garden centres
- Non-served public facilities (e.g. car cleaning facilities)

In addition, food stores are allowed to sell their full range of goods and not only necessities as well as funerals can take place also with non-family members.

#### • Phase 2 (as of 11 May 2020)

In its session on 29 April 2020, the Swiss Government has decided to loosen the restrictions on further facilities. The following are allowed to open:

- Mandatory schools
- Retail stores and markets
- Museums and libraries
- Restaurants, bars and cafés

Additionally, the following relaxations were adopted:

- Entry restrictions will be gradually eased while border-controls remain in place
- food stores are allowed to sell their full range of goods and not only necessities.
- Recreational sports trainings session with up to 5 participants and professional sports trainings with more than 5 participants can resume under certain

conditions.

As in phase 1, protection concepts need to be in place. For restaurants, bars and cafes, this means that all guests must be seated with a minimum of 2 m distance between tables and a maximum of 4 guests per table (or family with children). The general rules on hygiene and distancing remain applicable.

#### • Phase 3 (as of 8 June 2020)

Professional schools, universities and other education facilities may be allowed to hold lectures. Museums, libraries, zoos and other entertainment and leisure facilities may open. Furthermore, the ban on gatherings of more than 5 people may be loosened.

The Swiss Government will decide whether phase 3 will be entered as well as on further measures in its meeting on 27 May 2020. It will take into consideration the health situation at the respective dates. Up to date, the Swiss Government has not decided on the further phases. A decision on the measures for the summer months is expected for 26 June 2020.

#### Further measures

- Public events involving more than 1'000 people are up to now banned until 31 August 2020. The situation will be reassessed before the summer. The decision on public events with less than 1'000 people is scheduled for 27 May 2020.
- Entry restrictions will be gradually eased as of 11 May 2020. In a first step,
  - i. applications submitted before 25 March 2020 for residence or cross-border permits of EU/EFTA nationals as well for notifications of Swiss employments or assignment of up 90 days per calendar year will be processed.
  - ii. the notification procedure may be used for services based on contracts entered into before 25 March 2020.

- iii. non-EU/EFTA nationals, who have been issued the visa authorisation but who could not be issued a visa due to the existing entry restrictions are allowed to enter Switzerland without visa.
- iv. applications for the employment of non-EU/EFTA nationals submitted before 25 March 2020 will be processed.
- v. family reunion with Swiss/EU nationals is again possible.

Cross-border controls remain in place.

- The borders to France, Germany and Austria are foreseen to re-open on 15 June 2020. The border to Italy remains closed until further notice. Further decisions by the Swiss Government on the ease of entry restrictions and border closures are expected for 27 May 2020.
- Tracing-App  
The Swiss parliament has decided that the introduction of a tracing app requires a legal basis. The draft bill will be published on 20 May 2020 and be discussed by parliament in the June session. A pilot run will launch next week with the participation of employees of the ETH Zurich and Lausanne, hospitals and public administration.

The Swiss Government has furthermore decided not to implement a general obligation for mask wearing, but recommends mask wearing where no distance of 2 m can be maintained.

#### Regular Updates from Swiss Government

- The Swiss Federal Council informs on a weekly basis (either Wednesday or Friday) about the general situation and further measures.

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- **The Coronavirus Act 2020** received Royal Assent on 25 March 2020 and contains emergency powers to enable public bodies to respond to the COVID-19 pandemic. To review these powers please click on the following link for the full contents of the act - <http://www.legislation.gov.uk/ukpga/2020/7/contents>
- On 10 May, the Government set out plans for easing the lockdown restrictions which included allowing people who could not work from home to return to the workplace but to avoid public transport wherever possible. Outdoor exercise has been extended and members of the public can now be allowed to drive to locations such as beaches and parks. The Government is also establishing new guidance on how to make workplaces COVID-19 Secure (see the reference to this guidance in the Employment section). [Click here](#) for further information on the Government's guidance on social distancing. This guidance applies in England – people in Scotland, Wales and Northern Ireland should follow the specific rules in those parts of the UK.
- On 11 May, the Government set out a roadmap for how and when the UK will adjust its response to the COVID-19 outbreak. The Government will do this by considering three main factors: the health effect, the economic effect and the social effect of any adjustments to social distancing and economic support schemes.
  - Step 1 applies from 13/05/20 for England – workers should continue to work from home wherever possible. Those who cannot work from home should travel to work if their workplace is open. Workplaces should follow the new “COVID-19 Secure” guidelines; people should continue to avoid public transport wherever possible; and social distancing should be followed or face covering worn.

- The current planning assumption for England is that step 2 may include a phased return for some schools, opening non-essential retail, permitting cultural and sporting events to take place behind closed-doors and re-opening of local public transport in urban areas.
- Step 3 will be no earlier than 04/07/20, and the ambition in this step is to open at least some of the remaining businesses and premises that have been required to close, including personal care, hospitality, public places and leisure facilities.

To deliver the phased plan, the Government has outlined fourteen programmes of work, all of which are ambitious in their scope, scale and timeframes. These include amongst others, a focus on NHS and care capacity and operating model, protecting care homes, smarter shielding of the most vulnerable, testing and tracing, and treatments and vaccines.

- Following the announcement of the Government's roadmap to easing lockdown measures on 11 May updates have been made to the [COVID-19 outbreak FAQs: what you can and can't do to](#) reflect the updated regulations that were signed into law on 22nd April and to reflect the latest Public Health England guidance.
- The Health Secretary has begun a “test, track and trace” programme. The trial began on 5 May in the Isle of Wight. On 12 May the Government announced the expansion of the expert team leading on the rapid nationwide roll-out of the COVID-19 test and trace programme. The team will work to rapidly expand test and trace nationwide, which has been designed to minimise the spread of coronavirus, by identifying people who may have been in contact with the virus. [Click here](#) for further information. On 18 May the Health Secretary announced that everyone aged 5 and over with symptoms can now be tested for COVID-19.

### Quarantine Rules – Entry/Exit

Further to the Government's announcement on the 11 May regarding mandatory quarantine being considered for arrivals to the UK, on 19 May the Transport Secretary announced the following:

- Quarantine is expected to come into effect in early June and will initially be a 'blanket' solution.
- Visitors will be asked to isolate for 14 days, which would cover arrivals by sea, air and land.
- Countries with a low infection rate could be exempted from the rules of initial blanket quarantine.
- Indications suggest Ireland would be exempt however France would not be as previously suggested.
- Final details of quarantine will be released soon.
- Exit is unrestricted, however UK Government has advised UK nationals against all but essential international travel. Any UK nationals who are abroad are advised to return home immediately.

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## Economic Measures

### Government funding response

Please [use this link](#) to access the site where we upload daily update to the UK and global government response to COVID-19. This also covers the funding response.

### Trade Credit Insurance Guarantees

The Government will support businesses through Trade Credit Insurance guarantees. Trade Credit Insurance protects suppliers selling goods against the company they are selling to default on payment, giving businesses the confidence to trade with one another.

### Care Homes Support Package

A new £600 million fund has been introduced to tackle the spread of COVID-19 in care homes (ICF).

### Freight Capacity

The Government has signed agreement with 6 operators to provide up to £35 million to help ensure that there is sufficient freight capacity to prevent the

disruption to the flow of goods.

### Vaccine Funding

UK's top researchers rapidly working to find a coronavirus vaccine will benefit from £84 million of new government funding.

### Transport

The Government has agreed a £1.6 billion funding and financing package for Transport for London to protect key services, helping people to stay safe during the pandemic and supporting the capital's gradual recovery from COVID-19.

Rail and tube services will have an increased service with social distancing measures and security being put in place.

The Government also announced on 18 May the availability of grants to support innovation in transport such as drones delivering medical supplies.

On 9 May Transport Secretary Grant Shapps announced a £2 billion package

to create new era for cycling and walking, and to help ease pressure on public transport. Plans include pop-up bike lanes, wider pavements, safer junctions and cycle and bus-only corridors to be created in England within weeks. [Click here](#) for further information.

### UK Aid direct programme, including Small Charities Challenge Fund

On 18 May International Development Secretary Anne-Marie Trevelyan announced which charities and NGOs (Non-Governmental Organisations) have received UK aid funding to help fight coronavirus in the developing world.

From 18 May 2020, up to £30 million of new grants will also be made available to small and medium-sized UK charities through the next round of the UK Aid Direct programme. Each charity will be able to bid for a grant up to £4 million for programmes that focus on tackling the coronavirus pandemic.

The Small Charities Challenge Fund (SCCF) is also open for grants of up to £50,000 for the very best small British development charities tackling coronavirus.





## Food charities

On 8 May the Government announced up to £16 million to provide food for those who are struggling as a result of COVID-19. The programme will provide millions of meals over the next 12 weeks and be delivered through charities including WRAP, FareShare and other food distributors. [Click here](#) for further information.

## Personal Protective Equipment for frontline staff (PPE)

On 9 May the Government announced that NHS and social care staff in the UK are set to receive millions of items of PPE over the coming months. [Click here](#) for further information.

## A new package of support for firms driving innovation

- The Chancellor announced on 20 April a new £1.25 billion COVID-19 package to protect firms driving innovation in the UK. The package includes:
  - Future Fund (for more information [click here](#))

This £500 million loan scheme for high-growth companies impacted by the pandemic, called the Future Fund, launched for applications on 20th May 2020. The scheme is made up of funding from the Government and the private sector. The British Business Bank has now published full eligibility criteria and also the standard legal documentation, which must be used for the investment and cannot be negotiated. Application for the fund is led by the matched third party Investor(s), who will match the Government funding, through an on-line process run by the British Business Bank. Headline terms for the scheme (amount of funding and rates) remain consistent with those published when the scheme was first announced.
  - £750 million of targeted support for small and medium sized businesses focusing on research and development, which will be available through Innovate UK's grants and loan scheme.

## UK High Street

On 23 April the Business Secretary announced temporary measures to safeguard the UK high street from aggressive debt recovery actions during the pandemic. Statutory demands and winding up petitions issued to commercial tenants will be temporarily voided and changes are to be made to the use of Commercial Rent Arrears Recovery, building on measures already introduced in the Coronavirus Act.

On 1 May £6.1 million funding boost was announced to help high streets and town centres through pandemic.

## Bounce Back Loan Scheme

On 4 May the Bounce Back Loan Scheme was launched, a new 100% government-backed loan scheme for small businesses. Summary details of the scheme are as follows:

- Loans of between £2,000 and £50,000 (up to 25% of turnover)
- The Government will guarantee 100% of the loan and there will be no fees or interest for the first 12 months
- Loan terms will be for up to 6 years with a fixed 2.5% interest rate.
- The scheme will be delivered through a network of accredited lenders and can be applied for with an online form.
- If you have a Coronavirus Business Interruption Loan of less than £50,000 you can apply to change that loan into a Bounce Back Loan.

On 12 May 2020, the Government published a [Written Statement](#) on the details of the new Bounce Back Loans Scheme.

As at 10 May, 268,173 applications had been approved, totalling £8.378 billion.

## Business Grant Funds Scheme

- A discretionary fund of up to £617m has been set up to accommodate certain small businesses previously outside the scope of the business grant funds scheme.

- This is an additional 5% uplift to the £12.33 billion funding previously announced for the Small Business Grants Fund (SBGF) and the Retail, Hospitality and Leisure Grants Fund (RHLGF).
- This additional fund is aimed at small businesses (under 50 employees) with ongoing fixed property-related costs.

## Coronavirus Large Business Interruption Loan Scheme

On 19 May 2020, HM Treasury confirmed that, from 26 May 2020, the size of loans available under the Coronavirus Large Business Interruption Loan Scheme (CLBILS) will be increased from £50 million to £200 million so that large firms which do not qualify for the Bank of England's Covid Corporate Financing Facility (CCFF) will have access to enough finance to meet cashflow needs during the pandemic. Further, businesses which have drawn under the CCFF can now repay their drawings early if they choose to do so. Also, in order to make the scheme more transparent, HM Treasury and the Bank will start publishing the names of businesses that have drawings under the CCFF, as well as the amounts borrowed, every Thursday from 4 June 2020.

Businesses who have benefited from either (a) a loan in excess of GBP 50m under the CLBILS or (b) the CCFF will be subject to restrictions on certain actions during the period of the loan. These are: (i) restriction on dividend payments, other than dividends which have already been declared; (ii) restriction on share buy backs; and (iii) restriction on cash bonuses, or pay awards to senior management (including the board) except where (x) they were declared before the loan was taken out; (y) it is in-keeping with similar payments in the previous 12 months; and (z) it does not have a material negative impact on the borrower's ability to repay the loan.

Further details on all the above can be found on the Government funding response link at the beginning of this section.

## Guidance on responsible contractual behaviour

On 7 May 2020, the Cabinet Office published non-statutory guidance for parties to contracts impacted by the COVID-19 pandemic. The guidance emphasises that the Government strongly encourages all individuals, businesses and public authorities to act responsibly and fairly in the national interest in performing and enforcing their contracts, to support the Government response to COVID-19 and to protect jobs and the economy. The guidance has immediate effect and will be reviewed on or before 30 June 2020. [Click here](#) for the guidance note.

## Life Assurance Scheme for NHS and other frontline staff

The families of health and care workers on the frontline in England will benefit from a new life assurance scheme during the COVID-19 pandemic. [Click here for more information](#).

## Corporate law

### UK AGM Options

The UK Governance Institute has published guidance on the options available for listed Companies whose scheduled AGM's are likely to be effected by COVID-19 restrictions. The Institute recommends that Companies planning their AGM should be considering contingency plans and checking relevant provisions of the articles of association.

The options available to listed companies are as follows:

- Adapt the basis on which you hold the AGM  
AGM's can go ahead as scheduled in adapted forms. Encouraging proxy and online voting and promoting this option through the notice of meeting and company websites is an effective means to pass resolutions at the scheduled AGM. Establishing an online shareholder Q&A for the AGM is an appropriate platform for shareholder and board engagement. Ensure the AGM is quorate in accordance with the articles which will usually require the attendance of a small number of shareholders. Attendance on a live stream or phone link will not constitute formal attendance at the meeting.

- Dividend payments  
While many companies may decide it is no longer appropriate to recommend or declare a dividend that is due to be put to shareholders approval at the AGM, the board may still conclude a dividend should be paid but at a reduced amount. If a resolution is amended to reduce the dividend after proxy votes:
  - the proxy should aim to give effect to what the person appointing him or her would have wanted if faced with the amended resolution;
  - RIS announcements in these circumstances are likely to constitute inside information; and
  - while there is no legal requirement to include some sort of trading update at the same time as the RIS announcement, many companies are providing a general update as background to the board's decision to withdraw or reduce the dividend.

- Delay convening the AGM  
A company which has not issued its notice can delay its despatch and potentially change the location of the AGM. The latest date to hold an AGM is six months after the financial year end and so companies with a 31 December year end will have relatively little leeway. Companies can convene the AGM on 21 'clear days' notice absent any longer period in the Articles.
  - Update the market.* An update announcement with new time and date should be made.
  - Annual authorities.* Check the dates on which standing authorities approved at the previous AGM expire. Generally, authorities will be expressed to expire at the earlier of the date of the following AGM and 15 months after the AGM at which they are granted.
  - Remuneration policy.* Companies required to approve a new remuneration policy at their 2020 AGM have until the end of their current financial year to approve the new policy.
  - Dividend payments.* Delaying the AGM may mean that the company's final dividend is not paid on the expected date. If the timing is considered important, the payment of an interim dividend in lieu could be considered.
  - Implications for Listing Rule and DTR disclosures.* If listing rule and DTR statements have been included in the report and accounts, these will need updating if the notice of meeting is issued more than one month after the report and accounts.

- Postpone the AGM  
If a company has issued an AGM notice, it can postpone its AGM if its Articles permit it to do so. Assuming the Articles do not provide otherwise, there is no statutory minimum notice period for rearranged meetings. As a matter of good practice, the company should try to provide 21 'clear days' notice but it may be reasonable in the circumstances to have a shorter notice period. The postponed meeting must be held within six months of the company's financial year end and so companies with a 31 December year end will have relatively little leeway.

- Adjourn the AGM  
A company should only consider adjournment if it has issued its AGM notice and does not have postponement provisions in its Articles. Generally, a quorate meeting is required to be held in order to enable an adjournment. However, the Articles will often permit greater flexibility, allowing, for example, for adjournment for lack of quorum. The adjourned meeting must be held within six months of the company's financial year end.

- Conduct a hybrid AGM  
Virtual-only meetings are not viable given they may not constitute valid meetings. However, if the Articles allow this, companies can conduct a hybrid AGM (a combination of a physical and electronic meeting). If a company has already issued its AGM notice for a physical-only meeting but its articles allow

a hybrid AGM, it can change to a hybrid AGM. An announcement should be made to reflect this decision and the website should be updated. Companies conducting a hybrid AGM should make shareholders aware that they can participate fully in the AGM electronically. Holding a hybrid meeting in itself will not preclude the ability of shareholders to attend in person and therefore companies must consider the adaptation measures described above.

The quorum for a general meeting is typically set out in a public company's articles. This quorum may be satisfied by two directors and/or employee shareholders of the company attending the meeting, with resolutions being passed by the proxy votes of those who have not been able to attend in person and the votes of those in attendance. For example a quorum could be achieved by an executive director and the company secretary being present at the general meeting, provided that each is a member, a corporate representative or appointed as a proxy. The fact that their presence is necessary in order for a quorum to be formed means that their presence is 'essential for work purposes' (and therefore permitted), especially given they are both employees and the company needs to deal with the business of the meeting.

Of course, all appropriate social distancing measures should be observed by the small number of attendees at a physical meeting. For example, the meeting should be no longer than is required and if those attending are not from the same household they should maintain at least the recommended minimum degree of physical separation.

#### UK Companies House – COVID-19 Impacts

Companies House is responding to Public Health England guidelines and its service has been impacted as a result. The Office remains operational subject to the below restrictions and delays.

- Filing documents  
To register information as quickly as possible online services exist to file account, confirmation statements, company changes and company closures.. For the small number of filings where online submission is not possible, Companies House is working on an upload and payment service online as quickly as possible. The registrar's powers forms that may now be filed online include:
  - RP02A & LL RP02A – application for rectification by the registrar of companies;
  - RP02B & LL RP02B – application for rectification of a change of registered address;
  - RP03 & LL RP03 – objection to a request to rectify the register;
  - RP06 – application to remove material about a director;
  - RP07 & LL RP07 – application to change a company's or LLPs' disputed registered office address; and
  - RPCH01 & RP LLCH01 – correction to a director's or member's date of birth.

- Late Filings  
If accounts are late because your company is affected by COVID-19, and your filing deadline has not yet passed, you can apply for an automatic and immediate 3 month extension to file your accounts. Companies that have already extended their filing deadline, or shortened their accounting reference period, may not be eligible for an extension.

If you do not apply for an extension before your filing deadline, and your accounts have been filed late, an automatic penalty will be imposed. Companies House will continue to write to companies if their annual accounts or confirmation statement is overdue - but they will not publish the Gazette notice. This will help businesses file any outstanding documents and bring their record up to date.

- Access to offices  
There are restrictions to public access to Companies House offices and the delivery of paper documents. Documents can be delivered Belfast, Edinburgh and Cardiff offices via post however expect delays in processing paper forms.

- Strike off Relief  
Companies House will temporarily pause the strike off process to prevent companies being dissolved. This will give businesses affected by the COVID-19 outbreak the time they need to update their records and help them avoid being struck off the register. Companies that do not file their annual accounts or confirmation statement will normally receive 2 letters from Companies House. A notice is then published in the Gazette to tell the public that the registrar intends to strike off the company. Companies House will continue to write to companies if their annual accounts or confirmation statement is overdue - but will not publish the Gazette notice. This will help businesses file any outstanding documents and bring their record up to date.
- Same day service and document ordering  
All same day filings are suspended. The ordering of original documents from the register is suspended.
- Stamp Duty  
HMRC has introduced an electronic service to temporarily replace their usual Stamp Duty process. Companies House will accept and register an unstamped SH03 form if it's accompanied by a letter from HMRC confirming that the correct duty has been paid.

#### Insolvency legislation

A package of Insolvency measures were announced by the UK Business Secretary to support businesses struggling for survival as a result of COVID-19:

- fast track implementation of some of the planned reforms to the corporate insolvency framework; and
- **temporary suspension of the wrongful trading provisions, retrospectively from 1 March, for three months.**

The government intends to fast track new legislation to introduce:

- a short moratorium to protect companies from creditor action;
- a new restructuring tool; and
- prohibit the termination of essential supplies to protect the supply chain for companies undergoing a restructuring.

Eligibility – this is not a charter to absolve directors from liability for poor decision making. The wrongful trading rules are being temporarily relaxed to "reassure directors that the difficult decisions they have to make about the future viability of their business will not have to be unduly influenced by the exceptional circumstances which are entirely beyond their control."

#### Note: directors may still be liable for fraudulent trading and breach of fiduciary duty.

How to apply - there is no application required. Directors should, as with all decisions, document the thought process they have gone through and the evidence relied upon in making those decisions.

Initial notice: <https://www.gov.uk/government/news/regulations-temporarily-suspended-to-fast-track-supplies-of-ppe-to-nhs-staff-and-protect-companies-hit-by-covid-19>

Last consultation on insolvency reform: <https://www.gov.uk/government/consultations/insolvency-and-corporate-governance>

On 20 May 2020 new draft insolvency legislation was published, providing more detail on the Government's proposals (The Corporate Insolvency and Governance Bill).

#### Immigration/Visas

Whilst visa applications are still being accepted online, the UK visa application centres are now closed until further notice. Applicants cannot complete their applications in full.

- Extensions / Renewals  
Any current visa holder in the UK whose visa will expire between 24 January and 31 May 2020 and cannot leave the UK as planned can apply for their visa to be extended on an exceptional basis via special measures put in place by the Government.

For others needing a visa extension, applications are still being accepted online as per the usual process. However UK visa application centres are closed. Applicants will not be able to complete their applications in full and they will be pending with the Government for an extended period. As long as the online application form is submitted and payment made before the visa expiry date, visa status should be preserved.

- All other In-Country applications are suspended  
Whilst applications are still being accepted online, with UK visa application centres closed, applicants will not be able to complete their applications in full and they will be pending with the Government for an extended period.
- Any special concessions or relaxation of immigration requirements  
Any current visa holder in the UK whose visa will expire between 24 January and 31 May 2020 and cannot leave the UK as planned can apply for their visa to be extended on an exceptional basis. Any current visa holder will be able to apply from the UK to switch to a long-term UK visa until 31 May. Automatic visa extensions of one year granted to doctors, nurses and paramedics working in the UK. Removal of limit on hours trainee nurses and doctors can work.





### New guidance for employers on getting back up and running safely

- On 11 May the Government published new guidance for employers to help them get their business back up and running and workplaces operating safely.
- The documents have been developed in consultation with approximately 250 businesses, unions, industry leaders as well as devolved administrations.
- Up to an extra £14 million made available for the Health and Safety Executive (HSE) for extra call centre employees, inspectors and equipment.
- Guidance provides employers with a downloadable notice businesses should display to show people they have followed the guidance.

[Click here](#) for further information.

### Coronavirus Job Retention Scheme (CJRS)

- On 20 March the Chancellor announced that the UK government was setting up a Coronavirus Job Retention Scheme. All employers in the UK with a UK bank account are eligible to make an application for the scheme, although not principally designed for publicly funded organisations or Public Bodies.
- Under the scheme, the UK government will provide grants to employers to cover the wages of employees who are not working but are furloughed and kept on the company's payroll. Employees may not undertake work for the company while on furlough, but may do training and voluntary work or paid work for another employer. The scheme covers any type of contract, including agency contracts and flexible or zero-hours contracts, but does not include employees who are still working on reduced hours. Employees need to be furloughed for minimum periods of three weeks, but can be un-furloughed and re-furloughed.
- In order to qualify, the employee must have been paid in 2019/20 and included on an RTI return by 19 March 2020. Employees made redundant since 28 February 2020 are eligible for the scheme if they are rehired by their employer. The grant is calculated as the lower of 80% of an employee's regular wage or £2,500 per worker per month, plus the associated Employer National

Insurance contributions and minimum automatic enrolment employer pension contributions on that wage. If an employee has been employed for a full 12 months prior to the claim, the company can claim for the regular wage figure to be the higher of the same month's earnings from the previous year or the average monthly earnings from the 2019-20 tax year. The PAYE payment to the employee is subject to the usual income tax and other deductions.

- The scheme runs on the current basis from 1 March to 31 July and will be extended to run from 1 August to 31 October on a modified basis. See the below information regarding the Chancellors of the Exchequer's announcement on 12 May.
- On 12 May the Chancellor of the Exchequer announced the extension of the CJRS until the end of October. This comes following a commitment to ensure that the scheme would not end with a "cliff edge" at the end of June and the announcement confirms that the scheme will be modified from 1 August 2020 through to the end of October in order to support a transition from furlough back into work.
- The detail of how the rules will be modified for periods after 1 August will be published later in May but are expected to provide:
  - employers who are currently using the scheme may allow furloughed workers to return to work part-time (currently the scheme prohibits employees from doing any work during furlough) and
  - that the level of grant funding will drop with employers expected to pay some of the cost of maintaining employee's pay at the level set out in the existing rules (80% of salary subject to a £2,500 per month cap).
- This detail will enable employers to plan and cost the impact of bringing employees out of furlough in a staged way and also any more permanent workforce reductions that may be required where employment cannot be sustained after October or during the August-October transition period.
- A new '[step by step' guide for employers](#) was launched on 11 May 2020.

- The scheme went live on 20 April.

- As of 17 May 2020 the latest statistics show that 8m employees have been furloughed with £11.1 billion being claimed through the scheme.

Further information on CJRS including eligibility as well as information regarding the recently issued employer and employee guidance can be found on [this link](#).

### Self-Employment Income Support Scheme (SEISS)

- On Friday 1 May 2020, the Government published further guidance regarding the Self-employment Income Support Scheme (SEISS).
- HMRC will begin to contact potentially eligible taxpayers this week to complete an online eligibility checker and eligible taxpayers have been able to complete the online application since 13 May 2020.
- Once successful applications are approved by HMRC, payments will be made directly to eligible taxpayers within six working days.
- More than 110,000 self-employed people whose businesses are affected by coronavirus applied for government grants on the first day of the Scheme's operation.
- As of 17 May 2million claims have been submitted worth £6.1billion.

Further information on SEISS including eligibility as well as information regarding the recently issued employer and employee guidance can be found on [this link](#)

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