



Government and institution measures in response to COVID-19

Update 11

Last update: 03 April 2020

The materials contained in this document are intended for general reference and do not constitute advice from KPMG International or any of its member firms. Readers of these materials who have specific questions regarding the matters discussed herein are encouraged to contact their KPMG advisor or other advisor. The materials are updated as new developments emerge but readers should recognize the rapidly evolving nature of the underlying subject matter.



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Selected updates of the day

As of 03 April 2020

<p>Changes in selected geographies</p>	<ul style="list-style-type: none"> – Czech Republic : Waivers of penalty for late payments of road tax deposits and of default interest on late payments of road tax deposits shall apply to all tax deposit due on 15 April 2020 and 15 July 2020. The waiver applies only if all deposits are paid no later than 15 October 2020. – Spain : The Royal Decree-Law 8/2020 established that the period between the date it came into effect (18 March 2020) and 30 April 2020 will not count towards the maximum duration of the application procedures for taxes, sanctions and reviews undertaken by the National Tax Office (AEAT), nor towards the procedures initiated by the General Directorate of Cadastre. – Sweden : 100% of the taxable profit for 2019 may be allocated to the tax allocation reserve (up to maximum of SEK 1 million), which can then be offset against possible future losses. This measure applies to individual entrepreneurs and individuals who are partners in Swedish partnership companies. It is supposed to increase liquidity, the company get back the preliminary tax they paid in 2019. – Indonesia : The corporate income tax will be reduced from 25 percent to 22 percent for financial year 2020 & 2021, and 20 percent for financial year 2022 onwards. – Kazakhstan : SMEs are exempt from personal income tax and social payments (social tax and insurance) for 6 months (Apr-Sep.) Sectors include but not limited to tourism, transport, IT, consulting, private education, private healthcare and other affected sectors – Singapore: The Government has announced a second stimulus package (known as the Resilience Budget) on 26 March 2020. Some of the key tax measures relate to the automatic deferment of income tax payment for companies and self employed persons as well as further enhancements to property tax rebates for affected sectors. – Chile : Deferral of VAT payable for the April – June , 2020 period, for taxpayers with annual sales up to UF 350,000 (equivalent to US\$11.8m approx.). Deferred VAT payable in 6 or 12 equal installments with 0% interest starting in July 2020 – Canada: Measures for the aviation industry, government is waiving ground lease rents from March 2020 through to December 2020 for the 21 airport authorities that pay rent to the federal government
<p>Countries added to this document</p>	<p>New countries in this document:</p> <ul style="list-style-type: none"> – Europe: Albania, Liechtenstein – Americas: El Salvador, Honduras – Middle East & Africa: Cameroon, DRC, Namibia, Republic of Congo – Institution : European Commission
<p>Updated information</p>	<p>Updated information regarding:</p> <ul style="list-style-type: none"> – Europe: Czech Republic, France, Malta, Montenegro, Serbia, Spain, Sweden – Asia, Oceania : Indonesia, Kazakhstan, Singapore – Americas: Argentina, Bolivia, Canada, Chile, Costa Rica, Dominican Republic, Peru, – Middle East & Africa: Ivory Coast



Europe - Countries from A to G

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As of 03 April 2020

New country

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Income taxes:</p> <ul style="list-style-type: none"> Legal entities and other taxpayers registered for Corporate Income Tax (CIT) purposes would be entitled to submit the Annual Financial Statements of 2019 by 31 July 2020. Taxpayers having realized an annual turnover less than ALL 14 million will be able to pay the CIT liabilities due for 2019 within the second half of 2020. The CIT advance payments for 2020 for taxpayers having realized an annual turnover less than ALL 14 million would be payable by 31 December 2020. <p>Other corporate direct and indirect taxes</p> <ul style="list-style-type: none"> The deadlines for declaration and payment of value added tax, withholding tax, payroll taxes and contributions and local taxes remain unchanged. <p>Simplified tax for small businesses</p> <ul style="list-style-type: none"> The 2020 installments of the simplified income tax due by taxpayers registered under the category of small tax business will be postponed for 20 October (for the 1st and 2nd quarters) and 20 December 2020 (for the 3rd and 4th quarter). 	<p>Measures taken for certain category of employees</p> <ul style="list-style-type: none"> Employees working for legal entities or sole entrepreneurs registered for CIT or as small businesses and having realized an annual turnover not exceeding ALL 14 million during 2019. Employees included under this category would be supported by payment of the minimum salary of ALL 26,000 per month. Double employed individuals shall benefit only one payment regardless of being simultaneously in two payroll lists. The salary subsidy will be payable upon successfully meeting the conditions set out in the Decision of the Albanian Government. The Albanian tax authorities should verify within the first 10 days of the following month after application and may perform on-site visit investigations to confirm whether the applicants have suspended the business activity in accordance with the governmental guides. <p>Measures for the self-employed</p> <ul style="list-style-type: none"> Self-employed individuals realizing an annual turnover not exceeding ALL 14 million and their family members working against no payment in the same business would be entitled to benefit the minimum salary of ALL 26,000 per each person. The financial subsidy will be awarded upon application and confirmation of the tax authorities that the criteria set out in the decision of the Albanian Government for this purpose are met. 	<p>Relieves for borrowings of entities and individuals</p> <ul style="list-style-type: none"> The borrowings of entities and individuals facing difficulties during the situation created from the spread of COVID-19 will be postponed until 31 May 2020. To benefit from this relief measure the entities and individuals should communicate in advance with the lending financial institutions the inability to pay the loan installments due to the spread of COVID-19 situation. <p>Relieve to banks and other non-banking financial institutions</p> <ul style="list-style-type: none"> The Central Bank of Albania has decided and instructed the banks, non-bank financial institutions and saving and loan associations and their unions to not perform the classification of loans granted to their clients for the period from March 2020 until May 2020. Furthermore, these entities shall not be obliged to calculate the respective reserve depending on the loan classification. 	<p>Temporary suspension of judicial and prosecution proceedings</p> <ul style="list-style-type: none"> The court hearings for administrative, civil and criminal cases scheduled by all the courts will be postponed until the end of the epidemic status caused by COVID-19. Furthermore, the deadlines for filing the lawsuits, claims, appeals and carrying out of procedural proceedings will be suspended throughout the duration of the epidemic status as to be defined by the normative acts of the Government. However, inter alia, the above rule shall not apply to administrative disputes having as subject matters adjudication on injunctions for which the court ascertains that resolving on these cases after the deadline determined above shall cause an irreparable damage to the involved parties.



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As of 03 April 2020

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>
<p>Reduction / non-assessment of (corporate) income tax advance payments 2020:</p> <ul style="list-style-type: none"> – If a taxpayer can credibly state that he is affected by coronavirus (COVID-19), advance payments for (corporate) income tax 2020 may be reduced even to zero as the case may be. This will be relevant in industries in which a significant economic decline due to the current situation is expected. Applications can be submitted until October 31, 2020 <p>Deferral of tax payment and instalments:</p> <ul style="list-style-type: none"> – The taxpayer can apply to his tax office for deferral of payment of a tax or to pay the tax in instalments. Such applications lie in the discretion of the tax office which must, however, strongly consider the situation triggered by the SARS-CoV-2 virus. According to the wording of the published information this possibility is not restricted to specific taxes. Applications for deferral or payment in instalments may also be possible for all taxes, for instance also for advance VAT payments, but needs to be confirmed. – Until an application for deferral is answered by the tax office, there is no payment obligation and no collection measures may be taken by the tax authorities. <p>Customs/Import and Other Miscellaneous Taxes:</p> <ul style="list-style-type: none"> – The Austrian government, in a draft bill, has proposed that no stamp tax (duties) would be levied on any documents directly or indirectly related to any measures required to deal with the coronavirus crisis. <p>Filing/Payment Deadline Extension:</p> <ul style="list-style-type: none"> – Upon request and based on specific impact of the virus on the particular situation: <ul style="list-style-type: none"> • Tax prepayments for individual and corporate income tax purposes may be reduced to zero upon request. • Late payment penalties may be reduced or waived upon request. • Tax authorities may defer taxes if their collection would lead to significant hardship or agree to payments in instalments. <p>Suspension of Tax Audits:</p> <ul style="list-style-type: none"> – The Austrian government in a draft bill has proposed measures that would extend all the deadlines for appeals to May 1, 2020, in cases for which the statutory periods were opened on March 16, 2020 or that commenced on or after March 16, 2020. 	<p>Short-time work</p> <ul style="list-style-type: none"> – The working hours of the employees are reduced between 10% and 90% and their salaries are adjusted accordingly. – The employer pays the employees a financial support (short-time-work support) for their loss of earnings. – In total, the employee has to receive at least a certain amount of his previous net salary (“net remuneration guarantee”) during the newly established model of short-time work for the coronavirus-crisis. – The employer receives a financial support from the Public Employment Service (AMS) on the basis of flat-rates determined by the AMS (short-time-work allowance). – The company must be affected by temporary economic difficulties which are not seasonal. Economic difficulties caused by the coronavirus are covered. – A new model for the coronavirus-crisis was established which can be concluded for a maximum of 3 months. If necessary, it can be extended by a further 3 months after discussions with the social partners. <p>In order to react to the current circumstances regarding shut-downs of businesses, with retroactive effect from 1.3.2020, a new short-time-work model came into force which provides for significant improvements:</p> <ul style="list-style-type: none"> – Shortened application periods, – Higher funding – Eased application process.



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Sectorial support measures:</p> <ul style="list-style-type: none"> – Austria is introducing support measures for sectors heavily affected by the outbreak, such as tourism and air transportation, and uses existing measures to reduce hours worked (Kurzarbeit). EUR 100 million are available for loans to hotels that suffer more than 15% losses in sales. The maximum is 80% of the loan or EUR 500 000. <p>Loan guarantees:</p> <ul style="list-style-type: none"> – The Austria Wirtschaftservice (AWS) is providing new guarantees for SMEs worth EUR 10 million up to 80% of the loan amount or EUR 2,5 million for 5 years. The guarantees will have a one-time processing fee starting with 0.25 % of the amount to be financed and a guarantee fee, starting with 0.3 % p.a. (variable to risk) of outstanding liability. <p>Crisis management fund:</p> <ul style="list-style-type: none"> – On 15 March, a COVID-19 crisis management fund was announced, with EUR 4 billion in funding. On 18 March, a further EUR 38 billion support fund was announced. The measures include: <ul style="list-style-type: none"> • EUR 9 billion in guarantees and warranties; • EUR 15 billion in emergency aid; • EUR 10 billion in tax deferral. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Aid package of up to 38 billion euros to deal with the coronavirus consequences: https://www.bundeskanzleramt.gv.at/bundeskanzleramt/nachrichten-der-bundesregierung/2020/hilfspaket-von-bis-zu-38-milliarden-euro-zur-bewaeltigung-der-coronavirus-Folgen.html – Austria: Additional tax relief, in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-austria-additional-tax-relief-response-coronavirus.html – Austria: Tax relief measures regarding coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-austria-tax-relief-measures-regarding-coronavirus.html – Covid-19 overview: https://www.bmdw.gv.at/Themen/International/covid-19.html



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As of 03 April 2020

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

A. Filing and payment of taxes

Income taxes:

- For corporate, legal entities, non-resident tax returns with a deadline between 16 March and 30 April 2020, an extension is granted until 30 April 2020
- The deadline for paying wage withholding tax for February and March/Q1 2020 is automatically extended by 2 months
- The payment of income taxes related to AY 2019 and established as from 12 March 2020 is automatically extended by 2 months
- The ruling commission introduced a special 'fast track' procedure for the home work allowance of 126,94 EUR. All employees working at home due to special Corona measures will be entitled to the maximum amount of 126,94 EUR without a distinction in function categories. The new home work allowance will replace the current 'office' allowance if applicable. The ruling can be obtained in a few days, following a special procedure.

VAT:

- The deadline for filing VAT returns and intra-Community statements for February and March/Q1 2020 is extended to 6 April and 7 May 2020, respectively
- For starters and businesses with a monthly VAT refund license that wish to receive a monthly repayment of VAT credit, an extension of the filing deadline of the VAT return is granted for February 2020 is granted until 3 April 2020
- The deadline for filing the annual sales listing is extended to 30 April 2020
- The deadline for paying VAT for February and March/Q1 2020 is automatically extended by 2 months. Also, the deadline for paying VAT with regard to the special VAT return nr. 629 of Q1 2020 is extended to 20 June 2020 (initially 20 April 2020). This latter extension does not affect the filing deadline of 20 April 2020.

Businesses can also ask for other support from the tax authorities regarding their tax debts. This support includes

- A payment plan;
- An exemption from late payment interest;
- A waiver of fines for non-payment.

Specifically, this support can be requested for the following tax debts:

- Corporate Income Tax and Income Tax on Legal Entities;
- Value Added Tax;
- Wage Withholding Tax;
- Personal Income Tax.

Businesses are only eligible for this support if they are adversely affected by the Coronavirus crisis and if they are able to substantiate that (e.g. a drop in turnover, a serious drop in orders and/or reservations, as a result of domino-effect within a group , etc.). Businesses are not eligible for support if they are already facing structural payment difficulties.

Support is also conditional upon compliance with the timely filing of tax returns (with the given extensions). Support will be withdrawn if a collective insolvency procedure (e.g. bankruptcy) arises.

An application must be filed for each tax debt separately through a specific form. This application must be filed at the moment of receipt of the tax assessment or payment notice, and before 30 June 2020. The competent regional collection office serves as the single point of contact.



Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

B. VAT refunds

On 29 March 2020, a quick VAT refund mechanism was set up for all VAT taxpayers filing monthly VAT returns (incl. VAT taxpayers who do not have a monthly refund license). Under this quick VAT refund mechanism, the VAT credit will be refunded if (a.o.) the deadline for filing the VAT return for the month of February (extended to 3 April 2020) is met.

A repayment based on the quick refund mechanism will be made at the latest on 30 April 2020 (instead of a repayment on 29 May 2020 for starters and VAT taxpayers with a monthly refund license, or on 30 June 2020 for all other VAT taxpayers filing monthly VAT returns).

C. Other measures taken by the federal tax authorities

- The ruling commission introduced a special 'fast track' procedure for the **home work allowance** of 126,94 EUR. All employees working at home due to special Corona measures will be entitled to the maximum amount of 126,94 EUR without a distinction in function categories. The new home work allowance will replace the current 'office' allowance if applicable. The ruling can be obtained in a few days, following a special procedure.
- A circular letter confirms that the COVID-19 outbreak is an exceptional and specific circumstance which justifies the exemption of **write-downs on commercial receivables** held on companies that show a delay in payment of the receivables, resulting directly or indirectly from actions taken by the federal government.
- **Tax audits** are postponed until 5 April 2020
- **Tax reliefs for donations:**
 - By Circular 2020/C/46 of 24 March 2020, temporary tax reliefs are provided with respect to the donation of medical aid devices and protective gear and clothing to hospitals. Medicines are excluded from the scope of the tax reliefs. The tax reliefs apply to donations made in the period between 1 March 2020 and 30 June 2020.
 - Accordingly, businesses are not required to pay VAT on the qualifying donations. At the same time, the costs incurred in relation to the donated products are tax deductible for corporate (business) income tax purposes. Additionally, for personal income tax purposes, a temporary tax credit is available for the in-kind donation of medical products to hospitals with a value of at least Euro 40. The tax credit amounts to 45% of the actual value of the donation in-kind, subject to limitations.



Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Other measures and sources
<p>Measures taken by the social security authorities</p> <ul style="list-style-type: none"> – Businesses can request a payment plan for their social contributions which are due for the first and second quarter of 2020. This plan allows for payment to be spread over a maximum of 24 months. – Businesses must file a specific application form wherein they must provide evidence of the financial impact of the crisis on their business. – Businesses can also invoke temporary unemployment as a result of “force majeure”. This possibility can be widely applied as from 13 March 2020 Employees will benefit from a temporary increase of their allowance in the event of temporary unemployment. – An extension is granted for the deadline to pay social security contributions for the first and second quarter of 2020 until 15 December 2020. The extension is granted to businesses which have been forced to close. – In the latest update of their quarterly instructions, specifically with respect to the COVID-19 measures, the Belgian social security authorities confirmed that a possible supplementary pay of the employer, in addition to the temporary unemployment allowance can be allocated to the employee with exemption of Belgian social security provided that the eventual total net pay (allowance + supplement) will not be higher than the regular net salary should the employee have worked. <p>Measures for the self-employed</p> <ul style="list-style-type: none"> – The self-employed can also benefit from support regarding their social security contributions in the form of a reduction, delay or exemption of payment. If you are obliged to interrupt or stop your activity because of the crisis you can apply for a replacement income. – Cancellation or deferral of social contributions for the self-employed; – Reduced social contributions for self-employed conditional on proving a decrease in revenue due to the outbreak <p>If the self-employed are obliged to interrupt or stop their activity because of the crisis they can apply for a replacement income.</p> <p>Characteristics of short-time work concept</p> <ul style="list-style-type: none"> – Since 20.03.2020 (and for the entire duration of the government measures) the Belgian government accepts that all situations of temporary unemployment caused by COVID-19 will be considered as ‘temporary unemployment due to ‘force majeure’ for all requests introduced since 13.03.2020 until 05.04.2020 (extensions will be possible until 30.06.2020). – Full-time employees are entitled to 70% of the (possibly capped) salary, regardless of the family situation. <p>Implementation & Settlement Process</p> <ul style="list-style-type: none"> – From 13.03.2020 to 30.06.2020 this obligation no longer applies. – From 13.03.2020 to 30.06.2020, the employer does not have to issue control cards C3.2A to employees who are put on temporary unemployment. – From 13.03.2020 to 30.06.2020 simplified procedure applies. – A simplified form is available on the websites of the payment institutions. – For the month of March, all allowances will be paid in April. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Belgium: Tax relief in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-belgium-tax-relief-in-response-to-coronavirus.html – The coronavirus and its consequences: https://economie.fgov.be/fr/themes/entreprises/le-coronavirus-et-ses – Coronavirus: reduction of economic losses for companies: https://economie.fgov.be/fr/themes/entreprises/coronavirus/informations-pour-les/coronavirus-reduction-des



Flemish Government measures	Walloon Government measures	Brussels Government measures
<ul style="list-style-type: none"> - The assessment notices regarding immovable withholding taxes will only be sent in September 2020 (instead of March 2020) - The government has provided a budget for guarantees for bridging loans which businesses are forced to contract in order to be able to pay their bills - The assessment of car taxes will be postponed by 4 months - EUR 100 million in crisis guarantees for companies; EUR 4 000 payment for companies forced to close. - When small businesses are forced to close their business, they can apply for a tax-free premium to compensate their loss of business 	<ul style="list-style-type: none"> - The Walloon government has created a crisis fund of 100 million EUR to support sectors affected by the coronavirus crisis. <p>Tax Measures</p> <ul style="list-style-type: none"> - Taxpayers will benefit from a suspension of the tax payment deadlines during the crisis - Deadlines for claims against assessment will be frozen - Negative administrative decisions will be frozen. However, all positive decisions will be applied. - Moderation of current recovery procedures, payment plans will be facilitated - All physical and correspondence audits are eliminated - Administrative fines for the mileage tax will be moderated. - EUR 5 000 payment that have to close their doors; EUR 2 500 for companies that have to adjust their opening hours; possible waiver of utility payments, and; guarantees for loans to companies. <p>Other measures</p> <ul style="list-style-type: none"> - Small businesses in certain sectors can ask for compensation if they are forced to close - Mobilization of regional agencies (SOWALFIN, SOGEPA-Wallonie Santé Group, SRIW) via loans, guarantees, frozen reimbursements, etc. 	<ul style="list-style-type: none"> - The Brussels government has also taken a series of measures totaling 110 million EUR including: <ul style="list-style-type: none"> • A one-off premium for some sectors (horeca, travel, retail, etc.) which are affected by the emergency measures and are forced to close. • The abolition of the regional City Tax for the first semester of 2020. • Government guarantees on bank loans for 20 million EUR. • The accelerated treatment of grants of expansion support for certain sectors (horeca, tourism, culture and events). • EUR 4 000 payment for companies that have to close their doors; • EUR 2 000 for hairdressers; • A deferral of city tax for the first semester of 2020; • Easier access to loans; moratorium on debt repayments to Finance & Invest Brussels;



Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Other measures and sources
<p>Deferral of corporate income tax liabilities in Republika Srpska</p> <p>In the Official gazette of Republika Srpska (“RS”), no. 28/20 from 27 March 2020, the Decision on temporary deferral of payment of tax liabilities has been enacted. The temporary deferral of payment of tax liabilities is a measure to lessen the consequences and difficulties that businesses are experiencing due to measures enacted to prevent the spreading of COVID-19 in RS. Taxpayers that are impacted by the measures and which are facing difficulties in settling their due tax liabilities, were given the possibility to submit a written Statement for the temporary deferral of payment of tax liabilities in relation to:</p> <ul style="list-style-type: none"> – Corporate income tax. – Fee for improvement of useful functions of forests. – Fee for prevention of fires. – Personal income tax, as per the annual tax return for 2019. <p>In accordance with the decision, the above mentioned liabilities which are due by 31 March 2020 are temporarily postponed until 30 June 2020. The above mentioned liabilities shall be payable after 30 June 2020 in installments until the end of the year.</p> <p>Correction of advance CIT payments</p> <ul style="list-style-type: none"> – The Corporate Income Tax Law of the Federation of Bosnia and Herzegovina provides for the correction of corporate income tax (CIT) advance payments assessed based on the prior year’s taxable profit and tax liability in circumstances of natural and other disasters. The Government of the Federation of Bosnia and Herzegovina pronounced the state of disaster caused by COVID-19 on 16 March 2020. The request to reduce CIT advance payments for 2020 must be filed with the Tax Administration of Federation of Bosnia and Herzegovina and the Tax Administration should issue its Decision. – Filing deadline extended in Federation of Bosnia and Herzegovina to 30 April 2020. – On 24 March 2020, the Tax Administration of Federation of Bosnia and Herzegovina announced the extension to, inter alia, the individual income tax return filing deadline and the corporate income tax return filing deadline from the end of March to 30 April 2020. The Tax Administration provided the detailed instructions on the filing mechanism by email and appealed to taxpayers not to visit the Tax Administration unless specifically invited by the Tax Administration. 	<p>Main sources of information</p> <p>Bosnia and Herzegovina : Jurisdictional tax measures and government : https://home.kpmg/xx/en/home/insights/2020/03/jurisdictional-tax-measures-in-response-to-novel-coronavirus-covid-19.html#04</p>



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As of 03 April 2020

General Information

The act on the Measures and Actions was finally approved by the National Assembly on 23 March 2020 after the President exercised his right to veto and returned it for further discussion and was promulgated in State Gazette on 24 March 2020.

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

Corporate Income Tax Act

Deadline for declaring and payment of tax liabilities

The deadline for filing of the annual tax return under Article 92 of the Corporate Income Tax Act for 2019 and for the payment of taxes declared with it are extended until 30 June 2020.

The same deadline applies with respect to the filing of tax returns and payment of taxes related to (i) ancillary activities within the meaning of the Gambling Act, (ii) revenues of budgetary enterprises, and (iii) operation of ships.

Advance payments for corporate income tax for 2020

The approach with respect to calculation of the advance tax installments for 2020 and the due dates for their payment remain the same. The Act amends the procedure for declaring the advance tax installments which depends on the date of filing of the annual tax return for 2019, as follows:

- If the annual tax return for 2019 was submitted before the Act came into force, advance installments will be made in the amount as declared, and if necessary, a declaration for changing the advance installments under Article 88 of Corporate Income Tax Act may be submitted under the general provisions of the law.
- In case the annual tax return for 2019 is filed after the Act enters into force and before 15 April 2020, the advance payments will be made in the amount as declared.
- Taxpayers who have not submitted the annual tax return for 2019 by 15 April 2020 are required to declare by that date the amount of the advance instalments for 2020 by filing an annual tax return, but completed only in the part for the calculation of the advance payments for 2020.

The advance payments declared with the annual tax return for 2019 may be changed (increased or decreased) by filing a declaration under Article 88 of Corporate Income Tax Act

Personal Income Tax Act

- The deadline for submission of the annual personal income tax return and for payment of the annual tax liability for sole merchants and the persons, who are not registered as traders but are taxed as sole merchants is extended to 30 June 2020. The persons who are entitled to use a 5% deduction from their outstanding tax liability, can utilize it if their tax return is filed and the tax is paid until 31 May 2020.
- The deadline for submission of the annual tax return for all other individuals remains unchanged: 30 April 2020. Five percent deduction upon meeting the respective statutory requirements may be used until 31 March 2020.

Local Taxes and Fees Act

- A discount of 5% is granted to persons who have paid the real estate tax or the vehicle tax for the whole 2020 up to 30 June 2020. The Act does not contain specific provisions regarding the payment of the garbage collection fees for 2020



Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Other measures and sources
<p>Unchanged deadlines in the tax and social security legislation</p> <p>Except for the explicitly envisaged changes for 2020, the Act does not change other deadlines and procedures for establishing, declaring, filing, securing and collecting public receivables under the Tax and Social Security Procedures Code, Customs Act, Value Added Tax Act, Corporate Income Tax Act, Personal Income Tax Act, Local Taxes and Fees Act, Social Insurance Code, Health Insurance Code, and the Gambling Act.</p> <p>Rights of the employers:</p> <p>Remote work (home office) and teleworking may be introduced without the consent of the employees</p> <p>To suspend the work of the company or certain departments</p> <p>Part-time work without the consent of the employees</p> <p>To provide half of the paid annual leave without the consent of the employees</p> <p>Certain categories of employers may receive from the State 60% of the salary of the employees /a Decree of the Council of Ministers is expected/</p> <p>Suspension/cease of deadlines</p>	<p>Suspension or non-application of certain statutory terms</p> <p>Until the state of emergency is lifted, certain statutory terms will cease to apply or enforcement proceedings will not be initiated, as follows:</p> <ul style="list-style-type: none"> – The limitation period for repayment of public liabilities will cease to run for the duration of the state of emergency. Until the state of emergency is lifted, the 10-year period for repayment of public claims does not apply. – Enforcement proceedings under the Tax and Social Security Procedures Code will not be initiated except in special cases to which this prohibition does not apply (no prohibition is provided for the imposition of preliminary security measures in the course of tax control proceedings and for securing evidence in fiscal control). – The enforcement on debtors' assets for public claims is suspended, but security measures may be imposed and the amounts received in the enforcement procedure may be distributed. Upon the request of the debtor, the enforcement measures may be initiated against its valuables in vaults, on its receivables and funds in banks. – The limitation periods for the establishment of administrative offenses and for the payment of fines and sanctions are not extended and do not cease to run for the period of the state of emergency. <p>Preparation, signing and publication of the Annual Financial Statements for 2019 in accordance with the Accounting Act:</p> <ul style="list-style-type: none"> – The deadline for publication of the annual financial statements for 2019 is extended to 30 September 2020 and the deadline for filing of declaration for lack of activity is extended to 30 June 2020. – The Act provides for the possibility to sign the annual financial statements for 2019 by means of an electronic signature under Article 13 of the Electronic Document and Electronic Certification Services Act on behalf of the legal representative of the enterprise, the preparer of the financial statements and the registered auditors who have performed an independent financial audit of the financial statements. <p>Main sources of information :</p> <p>Tax changes introduced by the Act on the Measures and Actions during the State of Emergency : https://home.kpmg/bg/en/home/insights/2020/03/tax-changes-introduced-by-the-act-on-the-measures-and-actions-du.html</p>



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As of 03 April 2020

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Economic stimulus measures (e.g. loans, moratorium ...)	Other measures and sources
<p>The Croatian government on 17 March 2020 proposed tax relief measures to mitigate the effects caused by the coronavirus (COVID-19) epidemic. The proposed amendments are pending parliamentary consideration.</p> <ul style="list-style-type: none"> – Among the tax relief measures, provisions include: <ul style="list-style-type: none"> • Amounts received by individuals and companies as grants to mitigate the special circumstances caused by the coronavirus would not be considered taxable for individual income tax or corporate profit tax purposes • Refunds of assessed individual (personal) income tax and city surtax would be paid to the taxpayer upon issuance of the relevant tax assessment (with no change to the deadline for the right to file an objection), while the deadline for payment of any assessed individual income tax and city surtax liabilities remains unchanged • Allow taxpayers to defer payment or to arrange an instalment payment plan for their tax liabilities, social security contributions and certain non-tax levies without being subject to interest being imposed during the period of deferral of payment (payments in instalments) (this would not start the statute of limitations) for a period of three months, which can be extended. Thereafter, payments can be made in instalments of 24 months. – There is currently no extension of the deadlines for filing of tax returns or other returns. <p>On Tuesday, March 24, 2020, new provisions of the Regulations to the General Tax Law, which regulate the implementation of the tax payment deferral procedure in special circumstances, entered into force.</p> <ul style="list-style-type: none"> – Available tax payment deferral measures <ul style="list-style-type: none"> • Deferral of payment of tax liabilities due without charging penalty interest for a period of three months from the due date, with the possibility of extending the period for an additional three months • Payments of deferred tax liabilities in instalments up to 24 months. – Tax liabilities covered by tax payment deferral measures <ul style="list-style-type: none"> • Liabilities due for taxes (other than VAT), contributions and other public charges (excluding customs duties and excise duties) due until 20 June 2020. • VAT liability that is due within three months, starting with the VAT liability due in April. – Who can submit an application for tax payment deferral measures <ul style="list-style-type: none"> • Any entrepreneur who meets the indicators of inability to settle tax liabilities due and who has no outstanding tax liabilities at the date of submission of the application, i.e. if the amount of the outstanding tax liabilities is less than HRK 200. • Exceptionally, an application for VAT deferral can be submitted only by an entrepreneur whose amount of supplies of goods and services in the previous year has not exceeded HRK 7,5 million (VAT excluded) and whose tax base is determined based on the supplies made 	<ul style="list-style-type: none"> – Measures for financial liquidity including a three-month moratorium on liabilities to the Croatian Bank for Reconstruction and Development (HBOR) and commercial banks, as well as the approval of loans for cash flow in order to pay wages, suppliers and to reschedule other liabilities; – The approval of new loans for liquidity for enterprises to finance wages, utility costs and other basic business operating costs; – Increasing of the allocation for the "ESIF micro loans" for working capital for micro and small enterprises implemented by the Agency for SMEs, Innovation and Investments (HAMAG-BICRO); – A new financial instrument "COVID-19 loans" for working capital for small and medium-sized enterprises. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Overview of Government measures to mitigate the effects of special circumstances caused by the coronavirus epidemic: https://home.kpmg/hr/en/home/insights/2020/03/overview-of-government-measures-to-mitigate-the-effects-of-special-circumstances-caused-by-the-coronavirus-epidemic.html – Croatia: Tax relief measures in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-croatia-tax-relief-measures-in-response-to-coronavirus.html – Set of measures adopted to prop up economy during COVID-19 epidemic: https://vlada.gov.hr/news/set-of-measures-adopted-to-prop-up-economy-during-covid-19-epidemic/29024



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As of 03 April 2020

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)	Other measures and sources																																				
<p>Deadline for submission of tax returns and payment of tax extended</p> <p>By an amendment to the Assessment and Collection of Taxes Law L.4/78, the Minister of Finance is provided with the power to issue a decree setting the deadline for the filing of tax returns.</p> <p>By decree issued on 30 March the Minister of Finance announces that the submission date for Income Tax Returns for Companies (T.D.4) and Self Employed with accounts (T.D.1 Acc) for the year 2018 is extended until the 1st of June 2020.</p> <p>Further, by the same decree, the Minister of Finance has extended the deadline for the payment of tax due under the aforementioned tax returns for 2018 until the same date.</p> <p>Deferral of VAT payment until 10 November 2020</p> <p>The deferral of payment of VAT due, only applies to periods ending on 29 February 2020 (1/12/2019 - 29/2/2020), 31 March 2020 (1/1/2020 - 31/3/2020) and 30 April 2020 (1/2/2020 - 30/4/2020), provided that:</p> <ul style="list-style-type: none"> – The relevant VAT returns will be timely submitted (10/4, 10/5 and 10/6 respectively) and – Taxable persons do not fall into the specific categories specified in the amending law 	<p>Exemption from paying General Healthcare System Contributions for a period of three months under the Program for Financial Support to counter the economic impact of COVID-19 disease</p> <p>Under the Program for Financial Support to counter the economic impact of the COVID-19 disease, approved by the House of Representatives on 27/3/2020, and more specifically, the decision to exempt from payment of the increase GHS contribution for a period of 3 months, the rates of the GHS Contributions are set as follows:</p> <table border="1" data-bbox="667 564 1622 913"> <thead> <tr> <th>GHS Contribution Rates</th> <th>1/3/2020 - 31/3/2020</th> <th>1/4/2020 - 30/6/2020</th> <th>1/7/2020 onwards</th> </tr> </thead> <tbody> <tr> <td>Employees</td> <td>2.65%</td> <td>1.70%</td> <td>2.65%</td> </tr> <tr> <td>Employers</td> <td>2.90%</td> <td>1.85%</td> <td>2.90%</td> </tr> <tr> <td>Self-employed/Sole practitioners</td> <td>4.00%</td> <td>2.55%</td> <td>4.00%</td> </tr> <tr> <td>Pensioners</td> <td>2.65%</td> <td>1.70%</td> <td>2.65%</td> </tr> <tr> <td>Individual holding an office or employment</td> <td>2.65%</td> <td>1.70%</td> <td>2.65%</td> </tr> <tr> <td>The Republic of Cyprus or any natural or legal person responsible for the payment of emoluments to any person holding an office or employment</td> <td>2.90%</td> <td>1.85%</td> <td>2.90%</td> </tr> <tr> <td>Income other than emoluments</td> <td>2.65%</td> <td>1.70%</td> <td>2.65%</td> </tr> <tr> <td>Consolidated Fund of the Republic</td> <td>4.70%</td> <td>1.65%</td> <td>4.70%</td> </tr> </tbody> </table> <p>– In the event where businesses/employers have already proceeded in the implementation of the reduced rates for March 2020, the 3-month period applies from 1 March 2020 to 31st May 2020 for those businesses/employers only. In the event where the reduced rates have not been applied for March 2020, the 3-month period applies from 1 April 2020 to 30 June 2020.</p>	GHS Contribution Rates	1/3/2020 - 31/3/2020	1/4/2020 - 30/6/2020	1/7/2020 onwards	Employees	2.65%	1.70%	2.65%	Employers	2.90%	1.85%	2.90%	Self-employed/Sole practitioners	4.00%	2.55%	4.00%	Pensioners	2.65%	1.70%	2.65%	Individual holding an office or employment	2.65%	1.70%	2.65%	The Republic of Cyprus or any natural or legal person responsible for the payment of emoluments to any person holding an office or employment	2.90%	1.85%	2.90%	Income other than emoluments	2.65%	1.70%	2.65%	Consolidated Fund of the Republic	4.70%	1.65%	4.70%	<p>Main sources of information</p> <ul style="list-style-type: none"> – Cyprus: Extended deadlines for filing tax returns, making tax payments (COVID-19) : https://home.kpmg/us/en/home/insights/2020/03/tnf-cyprus-extended-deadlines-for-filing-tax-returns-making-tax-payments-covid-19.html – Cyprus: VAT payment deferral (COVID-19) : https://home.kpmg/us/en/home/insights/2020/03/tnf-cyprus-vat-payment-deferral.html
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As of 03 April 2020

Updated

General Information

The Government of the Czech Republic declared a state of emergency from 2pm on 12 March 2020 for a period of 30 days. They took measures to support people employed by corporations, deployed Tax-related support for businesses and individuals, and implemented a variety of additional measures to help the economy and inform the population.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

- Waiver of fines for late submission of personal and corporate income tax returns as well as default interest for late payments until 1 July 2020. The exemption applies only to returns for the 2019 tax year which had an original submission deadline of 1 April 2020 (including income tax billing).
- Waiver of income tax advance payments due on 15 June 2020 without the need to apply for a waiver (this applies only to taxpayers with the calendar year as the tax year).
- Waiver of the fine for late submission of VAT Control Statement
 - The CZK 1,000 penalty for late submission of the VAT Control Statement will be waived, if it was incurred between 1 March and 31 July 2020.
 - If a fine for the VAT Control Statement (in connection with COVID-19) has been waived upon individual request, the fine for late submission of VAT returns for the same period will also be automatically waived.
- General waiver of administrative fees
 - Administrative fees for the submission of applications in the above cases submitted before 31 July 2020 will be waived.
 - Administrative fees connected with the receipt of an application for a refund of import taxes with the remission of outstanding customs fees and fees associated with the receipt of an application for authorization of a tax or customs duty pursuant to the Union Customs Code will be waived if connected to applications submitted between 24 March 2020 and 31 July 2020.
- Waivers of penalty for late payments of immovable property tax returns and of default interest on late payments of immovable property tax shall apply to all tax returns filed between 31 March and 31 July 2020. The blanket waiver also applies to interest on deferred tax. The Ministry of Finance announced that it will propose the complete abolishment of this tax with certain retroactive effect
- Suspension of the obligation to apply the electronic registration of sales for the period of emergency and the following three months (valid for all entities).
- Waivers of penalty for late payments of road tax deposits and of default interest on late payments of road tax deposits shall apply to all tax deposit due on 15 April 2020 and 15 July 2020. The waiver applies only if all deposits are paid no later than 15 October 2020.
- Waiver of VAT on free of charge supply of products, or free of charge supply of materials used to make the product. There is an exhaustive list of products covered, these products are generally used to fight coronavirus (medical supplies etc.).

Individual measures

- Possibility to request individually remission of late payment interest for late payment or payment of tax in instalments if taxpayer proves COVID-19 related reasons. If the application is at least partially granted, the fine for late submission of the tax claim (tax return, settlement and reporting) will be waived. This measure applies to all taxes, including withholding taxes, VAT, etc., and is not limited to the 2019 tax year.
- If a taxpayer applies for the remission of interest for late payment of for holding tax and can reliably prove that the delay was due to extraordinary measures, all default interest for late payment will be forgiven (this should include tax advance payments).
- The introduction of a 'loss carry-back' program for 2020. If a taxpayer reported a tax liability in 2018 or 2019 and reports a tax loss in 2020, the loss could be deducted from the tax base for 2018 and 2019, thus a claim for a tax refund could arise (in the Ministry of Finance's proposal).

Important websites

- Ministry of Finance (<https://www.mfcr.cz/en/>)
- Financial Administration (<https://www.financnisprava.cz/en/>)
- The Czech Social Security Administration (<https://www.cssz.cz/web/en>)
- Ministry of Industry and Trade (<https://www.mpo.cz/en/>)
- Ministry of Labor and Social Affairs (<https://www.mpsv.cz/web/en>)

Updated

Employment-related measures

(e.g. state compensation schemes, training...)

Compensation of wage costs

- Caregiver allowances will be paid by the state to employees (one parent/caregiver) who must take care of children under 13 years of age and older handicapped children not attending school during the COVID-19 emergency when schools and other child care facilities are closed. The allowance amount will be about 60% of the wage. For a self-employed person, the compensation will be CZK 424 per day.
- Anti-virus Program - the program aims to protect jobs with employers directly affected by government restrictions connected with COVID-19. A wage allowance will be provided by the Labor Office of the Czech Republic based on an application submitted by the employer. The original proposal of five modes has been merged into two modes (Government order from 31/03/2020).
- Mode A:
 - In the case of quarantine, the employee receives compensation of 60 % calculated from his average reduced income (the cause of the problem is on the employee's side);
 - In the case of business closure due to the Government's order, the employee receives 100 % of his average salary (the cause of the problem is on the employer's side);
- Mode B:
 - Limited available workforce on the side of employer caused by the order of quarantine or forced leave due to childcare (ošetřovné), which affects more than 30 % of employees – the employee receives compensation of 100 % of his average salary;
 - Limited available input (services, material, products) necessary for the business' activity – the employee receives compensation of 80 % of his average salary;
 - Limited demand for the business' services and products - the employee receives compensation of 60 % of his average salary;
- In the case of Mode A, the state substitutes 80 % of paid salary including taxes, up to 39 000 CZK.
- In the case of Mode B, the state substitutes 60 % of paid salary including taxes, up to 29 000 CZK.
- The maximal amount of compensation is derived from average super-gross salary including taxes (48 400 CZK), in Regime A – 80 %, and in Regime B – 60 %, of this amount.

Support for self-employed

- The Government has approved one time subsidy of 25 000 CZK to self-employed people (OSVČ). This is different from the original proposal of regular subsidy of 15 000 CZK per month.
- The subsidy will be paid to all self-employed people, who can show that they had income of at least 180 000 CZK i 2019, and that their income has decreased by at least 10% between 12 January 2020 and 12 April 2020, when compared with the same period in 2019.
- This will have to be approved by the Parliament.

Updated

As of 03 April 2020

Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Financing</p> <ul style="list-style-type: none"> – Possibility of interest-free financing for self-employed people and small and medium-sized enterprises affected by COVID-19 - COVID loan. – The initial COVID1 program has been replaced by the COVID2 program. as follows: – (i) CZK 5bln of interest-free loans to be provided by Českomoravská Záruční a rozvojová banka, a.s., – (ii) CZK 5bln to provide guarantees for company loans (up to 80% of the loan) from commercial banks. Some of that money will be used to pay a portion of the interest on those loans. The program will start on April 2. – The Czech National Bank has decided to lower key interest rates (repo rate) to 1%. – An increase in the state budget deficit from CZK 40 billion to CZK 200 billion was approved to finance the effects of the COVID-19 measures. – Commercial banks to individually discuss deferred loan repayments with clients. 	<ul style="list-style-type: none"> – No entry to the territory of the Czech Republic for all foreigners (except for foreigners staying temporarily over 90 days or with permanent residence in the Czech Republic). – Prohibition for citizens of the Czech Republic and foreigners with permanent or temporary stay over 90 days in the Czech Republic to leave the Czech Republic – Internal border controls with Germany and Austria and airspace border controls have been restored; the state border with Slovakia and Poland is closed. – Acceptance of visa applications, temporary and permanent stays; procedures for applications for short-stay visas, procedures for applications for residence permits over 90 days have been suspended until further notice. – All schools and educational establishments are closed and cultural, sporting, etc. events are banned. – International passenger transport (road, rail, water) by means of transport with a capacity of over nine persons has been banned. <p>Important websites</p> <ul style="list-style-type: none"> – Government of the Czech Republic (https://www.vlada.cz/en/) – Ministry of Interior (https://www.mvcr.cz/mvcren/) – Ministry of Foreign Affairs (https://www.mzv.cz/jnp/en/index.html) – Ministry of Health (https://www.mzcr.cz/Cizinci/)



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As of 03 April 2020

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

Tax Payment:

- The payment deadline for “A-tax” and labor market contributions for April, May, and June 2020 is to be postponed by four months (but no changes to the deadlines for reporting A-tax and labor contributions).
- The payment of “B-tax” for self-employed persons for April is to be postponed from 20 April 2020 to 20 June 2020. Similarly, payment of B-tax for May 2020 is to be deferred from 20 May 2020 to 20 December 2020.

VAT Payment:

- A one-month delay of the deadlines for the declaration and payment of VAT for certain entities (typically large companies) that are on the monthly reporting and paying basis (the declaration period will be the 25th day of the second month following the end of the tax period for the tax periods from March 2020 to May 2020)
- Companies subject to quarterly VAT reporting are granted an extension until September 1, 2020 to state the VAT for the first and second quarters (Q1 and Q2) of 2020. However, if VAT liability for Q1 2020 is negative, it is still possible to report VAT for Q1 by 1 June 2020 so that the negative response can be “paid out” (refunded).
- A temporary increase of the amount of credit balance in the tax account (the current limit of DKK 200,000 that the companies may have in the tax account, is proposed to be increased to DKK 10 million, until 30 November 2020)

Employment-related measures
(e.g. state compensation schemes, training...)

Sick leave benefits subsidy Ministry of Finance, 12 March 2020

- Sick leave benefits are normally provided by the employer in the first month of illness, however now, if related to COVID-19, the government will cover these. It is intended for all companies which illness has to be related to COVID-19.

Salary compensation, 15 March 2020

- The government will subsidize 75% of the salary costs for employees that otherwise would have been fired as a result of the company’s financial losses caused by COVID-19. The subsidy has a fixed cap per employee on a monthly basis.

Self-employed compensation 19 March, 2020

- The government will compensate self-employed for 75% of lost revenue resulting from COVID-19. The subsidy has a fixed cap per month. It is directed to self-employed with:
 - expected revenue decline by more than 30 % as a result of COVID-19;
 - less than 10 employees;
 - average revenue above DKK15,000 per month in a prior period;
 - owner’s personal income to be less than DKK0.8 million in 2020.
- With an amount of up to DKK23,000 per owner in which each owner owns a minimum of 25%, it is limited to the period from 9 March to 9 June and the subsidy cannot be combined with other COVID-19 subsidies (such as cost coverage).

Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources	
<p>Entertainment event support by Ministry of Finance, 10 March 2020</p> <ul style="list-style-type: none"> – Cash subsidy to compensate for direct and indirect costs relating to the cancellation or postponement of larger entertainment events (e.g. concerts, sports, etc.). The subsidy serves to cover costs only and should not result in a profit for Event organizing companies <p>Reduced loan restrictions by Ministry of industry, business and financial affairs, 12 March 2020</p> <ul style="list-style-type: none"> – Since the financial crisis, banks and mortgage institutions have been required to reserve 1 % of its total funds as a buffer against a new financial crisis. – This restriction now no longer applies, which is expected to improve the financing environment for companies. <p>Loan guarantees by Ministry of Finance, 12 March 2020</p> <ul style="list-style-type: none"> – The government provides a loan guarantee on 70% of new corporate loans that are issued to cover losses directly relating to COVID-19. The loan amounts up to DKK 1 billion in losses (total in Denmark) intended for all companies that are: <ul style="list-style-type: none"> • Small and medium size companies: Operating losses of 50% or more. • Large companies: Revenue losses of 30 % or more. <p>SAS guarantees, 17 March 2020</p> <ul style="list-style-type: none"> – The Danish and Swedish government offers new larger guarantees to SAS, amounts up to DKK2 billion. <p>Cost compensation, 19 March 2020</p> <ul style="list-style-type: none"> – The government will subsidize 25 to 80% of a company's fixed costs if the company's revenue is expected to decline significantly as a result of COVID-19. – The share of fixed costs that are subsidized depends on the expected revenue decline: <ul style="list-style-type: none"> • 80% if revenue decline of 80-100%; • 60–80% if revenue decline of 60-80%; • 25% if revenue of 40-60%. 	<p>Cost compensation, 19 March 2020 (continued)</p> <ul style="list-style-type: none"> – In addition, companies that have been commanded to shut down will get all of its fixed costs subsidized. – The cost compensation is limited to the period from 9 March to 9 June. Maximum compensation in the period per company: DKK60 million. If actual revenue decline turns out to be less, the subsidy should be refunded. The company requirements are: <ul style="list-style-type: none"> • expected revenue decline by more than 40% as a result of COVID-19; • minimum monthly fixed costs of DKK25,000; • documentation on the expected revenue decline has to be signed by an auditor. This cost will be partly refunded by the government in case the application is successful <p>Export credit Guarantee, 19 March 2020</p> <p>The government has increased its guarantee with the public export credit agency (“EKF”) to allow for additional loans to Danish companies within exports that are struggling with liquidity due to the impact of the COVID-19.</p> <p>Travel guarantee fund Guarantee, 19 March 2020</p> <ul style="list-style-type: none"> – The Danish Travel Guarantee fund (“Rejsegarantifonden”) offers financial support to end customers if a travel agency goes into bankruptcy. The government has increased its guarantee with the fund by DKK1.5 billion. – In addition, the objective of the fund has been changed to also potentially provide financial support to travel agencies for cancelled travel arrangements. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Denmark: Tax relief in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tmf-denmark-tax-relief-in-response-to-coronavirus.html – Ministry of finance: https://www.fm.dk/



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As of 03 April 2020

General Information		Estonia has launched a EUR 2 billion support programme.	
Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Employment-related measures (e.g. state compensation schemes, training...)	Other measures and sources
<ul style="list-style-type: none"> – The support program includes the following tax measures: <ul style="list-style-type: none"> – tax deferral for 18 months – tax incentives – suspension of payments into the pension system 	<ul style="list-style-type: none"> – The support programme includes the following economic stimulus measures: <ul style="list-style-type: none"> – loan collateral amounting to EUR 1 Billion for bank loans already issued in order to allow for repayment schedule adjustments (maximum EUR 600 Million for the surety collection) through the KredEx Foundation. 	<p>The Estonian Unemployment Insurance Fund will be paying subsidies to compensate employees' wages for up to two months during period March- May 2020. The amount of the subsidy will be 70% of the average monthly wage of the employee but no more than €1000. The employer must pay a wage of at least €150 to the employee.</p> <p>The employer comply with at least two of the following terms:</p> <ul style="list-style-type: none"> – The employer must have suffered at least a 30% decline in turnover or revenue for the month they wish to be subsidized for, as compared to the same month last year. – The employer is not able to provide at least 30 percent of their employees with agreed workload. – The employer has cut the wages of at least 30% of employees by at least 30% or down to the minimum wage. 	<ul style="list-style-type: none"> – Estonia announced it would share digital education tools developed by its start-ups to other countries. – Furthermore, community initiatives have been launched to support small business. <p>Main sources of information</p> <ul style="list-style-type: none"> – Republic of Estonia - Tax and Customs Board: https://www.emta.ee/eng/interests-tax-arrears-suspended-emergency-situation – Republic of Estonia – Government: https://www.valitsus.ee/en/news/emergency-situation-government-supports-estonian-workers-and-economy-least-eur-2-billion



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As of 03 April 2020

<p>General Information</p>	<p>The Government has decided upon a total €15 billion general package to support corporations, ensure jobs and finance unemployment subsidies for laid-off employees (20 March 2020, Government of Finland). Temporary measures include (i) 2.6% reduction in private sector's pension contributions (applicable at earliest Jun20 and valid until Dec20), (ii) Lay-off notice period reduced to five days including that even fixed terms employees may be laid-off (iii) Employees on probation period may be released because of financial reasons (all laid off workers will immediately be entitled to unemployment subsidies), (iv) Unemployment agencies will receive additional €20 million government aid, (v) Self-employed will not be required to close businesses in order to be entitled to unemployment aid.</p>	
<p>Employment-related measures (e.g. state compensation schemes, training...)</p>	<p>Employment-related measures (e.g. state compensation schemes, training...)</p>	<p>Economic stimulus measures (e.g. loans, moratorium on debt repayments...)</p>
<p>Key actions by Finnish employment pension companies, directed to legal entities</p> <p>Finnish employment pension companies are responsible for the employee pension scheme in Finland. They are major institutional investors with around 200 €bn of assets under management. Measures taken:</p> <ul style="list-style-type: none"> – Companies can apply for up to 3 months longer payment term for employee pension payments (TyELand YEL) with current 2% interest. This still requires final approval from the government. – The State Pension Fund (VER) is ordered to invest 0.5-1 €bn into commercial papers to support short-term liquidity. – In addition, pension companies are discussing with the government whether EMU-buffer should be used (buffer fund, which could be used to decrease employee pension payments). 	<p>The Finnish government has proposed some reliefs to the already existing time constraints.</p> <p>If approved by the parliament, they can enter into force already in the beginning of April 2020. These reliefs include:</p> <ul style="list-style-type: none"> – Lay off period could enter into force after five (5) days have passed from giving the lay off notice. – The co-operation negotiations in lay offs lasting max 90 days, could last only 5 days. 	<p>Key actions by banks directed to legal entities</p> <ul style="list-style-type: none"> – Banks in Finland are key sources of financing for companies which offer loans, Capex and working capital facilities. Finnvera guarantees are often used to share risks. Nordic banks have strong solvency to face COVID-19 crisis. – ECB and FIN-FSA <ul style="list-style-type: none"> – ECB has loosened the solvency and liquidity requirements for institutions directly under its supervision. In Finland, these institutions comprise Nordea Bank Plc, OP Group and MuniFin (public sector financing). – Other financial Finnish entities are supervised by FIN-FSA, who has indicated that ECB measures are available for other credit institutions too. On 17 March FIN-FSA decided to decrease all main solvency requirements by 1.0%. By FIN-FSA calculations the measure, in conjunction with other supervision requirements, increases Finnish credit institutions lending capacity by €30 billion. – The purpose of the actions is to support banks' credit loss buffers and lending to corporations as well as households in order to mitigate adverse financial effects from the outbreak. FIN-FSA supervise that the decreased solvency requirements and new public aid is channeled to lending and not e.g. for dividends or remuneration. On 27 March FIN-FSA and ECB strongly advised banks to refrain from distributing dividends until Oct20. – Commercial banks <ul style="list-style-type: none"> – The actions give banks the possibility to grant instalment-free periods for SME companies of up to 12 months and/or increase credit limits. The actions depend on bank and by case by case approach. – The banks will likely utilize Finnvera in its full capacity to share risks. – Banks may priorities current clients in order to avoid credit losses and therefore potential new clients may face tighter financing policy. – A challenge is to identify good customers truly affected by the outbreak from customers that were in distress already before.



Economic stimulus measures (continued)
(e.g. loans, moratorium on debt repayments...)

Key actions by Finnvera

Finnvera Plc is a state-owned financing institution effectively established to support exports but is also providing financing for SME's but also larger companies' working capital and capex needs. Primarily financing constitutes of guarantees for commercial facilities, but also direct lending is sometimes used. A typical guarantee is 50% of the facility but it may case by case by up to 80%. By applied policies, companies in distress cannot be financed. A distressed company has typically required that more than half of share capital is lost. Finnvera is the key agency to support COVID-19 affected companies having currently been set a €12 billion total financing capability. Current measures are:

- Three guarantee instruments to serve the increased need for financing. Effectively no other instruments are currently offered in order to manage the peak induced by COVID-19. The first contact is always the commercial bank. The packages are no new products, but credit processes and terms have been modified to support the COVID-19 generated situation:
 - **Start guarantee package - €12,000 - €100,000 bank loan (€10,000 - €80,000 guarantee)**
 - For limited liability enterprises that have operated less than three years. Not applicable to farming, M&A activities or construction sector;
 - First contact is to the enterprise's main commercial bank, who request Finnvera for a guarantee;
 - The guarantee is max. 80% of the facility and one enterprise may have only one guarantee. Finnvera does not require any self-financing but do require that the applicant and main owners are credit worthy;
 - The applicants' main owners need to personally guarantee 25% (min. €3,000) of Finnvera's risk.
 - **SMA guarantee – max €150,000 commercial bank loan (max. €120,000 guarantee)**
 - For limited liability enterprises that have operated for more than three years. Not applicable to farming, M&A activities, construction sector, to acquire premises or purchase vehicles.
 - Was originally intended to finance various R&D, capex and working capital needs but has now been extended to include financing of COVID-19 induced immediate cash needs;
 - The guarantee is always 80% of total facility ranging €10,000 - €120,000
 - First contact is to the enterprise's main commercial bank, who request Finnvera for a guarantee;
 - Does not require any guarantees. The applicant and main responsible must be investment grade (guarantee provision range is 0.95%-3.00% pa. depending on rating A – AAA, min rating A).

- **Finnvera guarantee – max. €1,000,000 working capital loan (max €800,000 guarantee)**
 - Originally intended as security for various SME and in certain cases large enterprises financing. Such needs include capex, exports, working capital and M&A activities. Whereas start guarantee package and SME guarantee may be set as security for only promissory notes, Finnvera guarantee can secure also credit limits, revolving facilities, bank guarantees and factoring financing. Forestry and farming as well as property development are excluded, otherwise the industry is not defined.
 - Due to COVID-19 the Finnvera guarantee has been increased to 80% and collateral need is waived. Also a "fast-track" procedure has been set for €150,000-€1,000,000 working capital loan facilities. It is vital that the facility is initially negotiated with the bank, who contact Finnvera for the guarantee. The "fast-track" procedure requires min. A-rated customer and profitable business prior to the restrictions due to COVID-19 outbreak. Further, a "fast-track" procedure requires that the loan is a promissory note ranging €150-1,000 thousand, maximum for five years with the first two being free from instalments but otherwise equipped with an instalment program, use of funds is to cover cash needs due to rapid economical rapid downturn, not used to convert existing facilities and that the bank grant installation waivers for existing other facilities.
 - Pricing of the guarantee is 2.5% annual commission.
 - The timeframe for a "fast-track" procedure is not disclosed but depending on facility size it envisaged to be from few days to a couple of weeks.
- Effectively Finnvera does no own credit assessment for smaller facilities (less than €150,000). For larger ones, Finnvera still assess own credit analysis.



Economic stimulus measures (continued) (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Key actions by Business Finland</p> <p>Business Finland offers subsidies and loans for SME and mid cap companies. Measures taken:</p> <ul style="list-style-type: none"> – Launched two new subsidy programs for SME and mid cap limited liability companies for: <ul style="list-style-type: none"> • Research and planning of new business operations, replacing delivery chains and reorganization of production and ways of working. The subsidy is in total 80% of the project total expenses, capped at €10,000, at which total project is €12,500. A maximum 70% advance payment can be applied before/during the project and the rest is credited at project completion against accepted expense slips; • Development and execution of these planned development actions. The subsidy is in total 80% of the project total expenses, capped at €100,000 at which total project is €120,500. A maximum 70% advance payment can be applied before/during the project and the rest is credited at project completion against accepted expense slips; – De minimis financing, up to €200 thousand within three years period for any type of costs. – The subsidies are predominantly targeted for industries which suffer the most of COVID-19 consequences (e.g. travel and restaurants). – Cannot be applied for marketing and sales purposes, operative cash flow distress or to cover losses of current operation. <p>Key actions by ELY (Centers for Economic Development, Transport and the Environment)</p> <p>ELY Centers offer development subsidies, development services and transport support for SME companies. Measures taken:</p> <ul style="list-style-type: none"> – ELY Centers' have received €50 million supplementary budget to support smaller enterprises, similarly what Business Finland does for somewhat larger enterprises. The difference between Business Finland and ELY subsidies is that ELY aid is smaller and can be granted to any form of enterprises, that employ 1-5 employees (not self employed, min. 1 employee/not owner, working (30h/week) and have been financially affected by the out-break. – As from March 31 the entitled enterprises will be able to apply for aid on ELY web pages. As with Business Finland the subsidies can be applied into: <ul style="list-style-type: none"> – Research and planning of new business operations. The project size may be in total max. €10,000 and ELY's share 80% of accepted expense slips. – Development and execution of these planned development actions, max. €100,000 and ELY's share 80%. – Applications to support ordinary business are not accepted. – As change to ordinary terms, due to COVID-19 in both forms of subsidies a 70% advance can be paid at project acceptance. – ELY has intentions to support also self-employed people without any other employees. Details of this will be disclosed later but apparently the size is approximately €2,000. 	<p>Key actions by TESI</p> <ul style="list-style-type: none"> – TESI provides private equity type of financing for Finnish SME companies, who have strong growth outlook and market potential. Measures taken: – Prepared to offer new follow-on equity investments into portfolio companies. – Readiness to launch new stabilization financing program together with private <p>Key actions by unions (Agreed but not fully funded)</p> <ul style="list-style-type: none"> – A 16-point action list was agreed by two of the largest unions, the Industrial Employer and the Industrial Employees. However, this includes certain items that need to be financed, and that part has not yet been approved. <p>Main sources of information</p> <ul style="list-style-type: none"> – Finnish Tax administration: https://www.vero.fi/tietoa-verohallinnosta/uutishuone/korona/verohallinto-tukee-yrityksi%c3%a4-koronatilanteessa/ – Finish Government: https://valtioneuvosto.fi/en/frontpage

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As of 03 April 2020

General Information

Overall, responses have focused on:

1. Time limits for the payment of social and/or fiscal instalments and direct tax rebates
2. Mobilization of BPI France to guarantee bank lines of credit
3. Support from the State and the Bank of France (credit mediation)
4. Simplified and reinforced short-time working scheme
5. Support in the handling of a conflict with customers or suppliers by the Business Ombudsman

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Postponement and/or discounts of tax due dates

Deferral without penalty of future direct taxes settlement:

- Concerns all direct business taxes (advance income tax payment, payroll tax), with the exception of VAT (still to be defined at this time) and assimilated taxes, the repayment of the withholding tax made by the collectors and the tax on insurance agreements, which cannot be carried forward
- Granted for a period of 3 months
- On simple request, without proof, via the simplified form to be sent to the relevant (Corporate Tax Department)
- For settled maturities of March, possibility to oppose the SEPA Direct Debit at their online bank. Otherwise, can be requested reimbursement from the (Corporate Tax Department) once the direct debit has been made.

Remission of direct taxes, interest on arrears or penalties in the event of serious difficulties:

- On request via the simplified form
- On proof of inability to pay

For monthly payment contracts:

- Suspension is possible by contacting the Service Collection Centre. The remaining amount will be deducted from the balance, without penalty

Measures in favor of the self-employed:

- Possibility to modulate at any time the rate and the instalments of withholding tax
- Defer the payment of the withholding tax on their professional income from one month to the next, this up to three times if their instalments are monthly, or from one quarter to the next, this if their instalments are quarterly.

Acceleration of tax credit reimbursement procedures

- Possibility of reporting to the EIS, in the simplified form, invoices awaiting payment from the State, local authorities and public bodies in order to speed up payment.
- The DGFIP has instructed its departments to speed up the reimbursement of tax credits due to companies, including accelerating:
 - Accelerate the refund of VAT credits,
 - Ditto for the tax credits refundable in 2020 the CICE,
 - CIR/CII, (in particular for start-ups)
 - And other tax credits chargeable to the income tax,
 - Without waiting for the deposit of the tax bundle.
 - To do so, you will have to declare: the tax credit refund application (form n°2573)
 - the declaration to justify the tax credit (n°2069-RCI or specific declaration, unless it has already been filed previously)
 - In the absence of a profit and loss statement, the tax balance statement (form n°2572) allowing the tax due to be paid and the refundable claim for 2020 to be established.
 - Businesses that are unable to meet their VAT declaration and payment deadlines are invited to contact their EIS to find a suitable solution.

CCSF (The Financial Sector Advisory Committee) and payment terms

- The French government is encouraging companies experiencing financial difficulties with payment delays in order to pay their tax and social security debts (employers' share) to refer the matter to The Financial Sector Advisory Committee (CCSF).
- The debts referred to are in particular the taxes, social security contributions to the basic compulsory schemes payable - excluding employee shares and withholding tax.
- There is no minimum or maximum amount.

Tax measures – Direct and Indirect (continued)

(e.g. payment deferrals, rate reductions...)

CCSF (The Financial Sector Advisory Committee) and payment terms (continued)

- Normally, the CCSF of the department of the company's registered office or principal place of business is competent.
- The commission examines, in conjunction with each accountant or body responsible for the collection of public debts, the establishment of a payment plan spread over several months for the settlement of the debtor's debts. It then lays down the conditions for this plan.
- In order to benefit from the settlement of the above-mentioned debts, the debtor must be up to date with the filing of his tax and social security declarations and the payment of employee contributions and withholding tax.
- The request to the CCSF (of the department concerned) can be made in two ways:
 - By the debtor: for debt requests up to €0.5m
 - By an ad hoc representative (appointed beforehand by the debtor): for debt requests over €0.5m

Postponement of social deadlines

- Possible staggering for due maturities and not on future recoveries.
- Possible discounts of surcharges and penalties for late payment over the targeted periods
- The later the application is made, the more eligible social security contributions will be included in the scheme
- Employers (companies with more than 50 employees) whose URSSAF due date falls on the 5th of the month may defer all or part of the payment of their employee and employer contributions for the due date of 5 April 2020. The date of payment of these contributions may be postponed for up to 3 months: information will be provided later on. No penalty will be applied.
- Employers can modulate their payment according to their needs: amount to 0, or amount corresponding to a part of the contributions.
- Declaration and transmission of the nominative social declaration (NSD) is required before Monday 6 April 12:00 noon.
 - First case - the employer pays contributions outside the NSD, by bank transfer: can adapt the amount of transfer, or not make a transfer at all.
 - Second case - the employer pays contributions via the NSD: must transmit the March 2020 NSD by Monday 6 April 2020 at 12:00 noon, and can modulate SEPA payment within this NSD.

A postponement or a delay agreement is also possible for supplementary pension contributions. Employers are invited to contact their supplementary pension institution.

Deferral of the filing date for tax returns

- Ordinance n°2020-306 of 25 March 2020 on the extension of time limits during the health emergency period and the adaptation of procedures during the same period provides for a principle of postponement of certain reporting formalities.
- This principle shall not apply to declarations used for the assessment, assessment basis, liquidation and collection of taxes, duties and charges: Could be provided for an administrative tolerance for the deadline for filing tax returns (postponement envisaged to 31 May 2020). However, it will be necessary to wait for confirmation from the tax authorities.
- Possible adaptation of reporting procedures: In order to enable many companies to continue to be able to certify that they are up to date with their social and tax obligations. This proof is currently required by various procedures (in particular when a matter is referred to the Commission of Chief Financial Officers, or CCSF).

Employment-related measures

(e.g. state compensation schemes, training...)

Partial unemployment

- Companies may use the partial activity in exceptional circumstances due to the pandemic. The temporary decline in activity can take two different forms: A reducing of working time or a temporary closure. In case of collective reducing of working hours, employees can be placed in a position of partial activity individually and alternately in order to be able to authorize the establishment of a system of “rotation” per unit of production, workshop, services, etc.
- Since the employment contract is suspended, employees receive compensation paid by their employer. This allowance must correspond to a minimum of 70% of previous gross earnings, or about 84% of net earnings and may be increased by the employer. The only exception is employees paid at the minimum wage, who will continue to receive 100% of their salary during their period of unemployment. Flat-rate allowance co-financed by the State and National Inter-professional Union for Employment in Industry and Commerce (UNEDIC)
- In its draft decree of 18 March, the Ministry of Labor specified that the compensation paid to employees by companies will be 100% covered by the State up to a limit of 4.5 SMIC.
 - For companies wishing to provide additional compensation for their employees, in excess of the 70% compensation paid by the state, it is to be expected that this additional compensation will be subject to social security contributions.
 - The request for partial activity and the opening of the file is made directly online on the dedicated website (<https://activitepartielle.emploi.gouv.fr/aparts/>).
 - In companies with more than 50 employees, the employer must consult employees representatives (Social and Economic Committee or employees delegates) beforehand. Where appropriate, companies must inform their employees directly of the plan to introduce partial operations. The applicable regulations provide that the administrative authority normally has a maximum of 15 days to examine the application.
 - However, given the current situation, the response time is reduced to 48 hours. At the end of this period and in the absence of a reply from the administration, the application shall be deemed to be accepted. In addition, in view of the overcrowding on the ASP server, the Ministry of Labor decided to grant companies 30 days to submit their applications, retroactively
 - The other measures provided for in the draft decree are intended to allow employers to benefit from a maximum duration of 12 months of partial activity authorization if justified (compared with a maximum of 6 months at present).
- Eligible cases:
 - Administrative closure of an establishment
 - Prohibition of public demonstrations following an administrative decision
 - (Massive) absence of employees essential to the company's activity
 - Temporary interruption of non-essential activities
 - Suspension of public transport by administrative decision
 - Decrease in activity related to the epidemic
- The draft decree may also open the benefit of the partial activity to employees with a fixed-rate executive package, including when there is no total closure of the establishment. The terms and conditions and the calculation of the coverage are not yet known and will be specified by ordinance.
- In the event of prolonged under-activity, or even total cessation of activity, companies may apply to benefit from the Training instead of partial activity in order to invest in the skills of employees
 - Formalized by an agreement between the State (DIRECCTE) and the company (or the OPCO), the purpose of the FNE-Formation is to implement training actions in order to facilitate the continuity of employees' activity in the face of the transformations resulting from economic and technological changes, and to promote their adaptation to new jobs
 - Eligible training courses are those that make it possible to obtain one of the qualifications mentioned in Article L. 6314-1 of the Labor Code and are actions enabling workers to have their acquired experience validated as defined in Article L. 6313-11 of the Labor Code.

Employment-related measures (continued)

(e.g. state compensation schemes, training...)

Partial unemployment (continued)

- Financing and commitments of the company:
 - The training systems that can be used include the skills development plan and the Personal training account (CPF) implemented during working hours.
 - If it is the sole public financer, the State may grant aid of up to 50% of the eligible costs, or up to 70% if there is an increase. In return, the firm undertakes to keep the trained employees in employment for a period at least equal to the duration of the agreement plus six months.

WGI Information (Wage Guarantee Insurance)

- Reduced payment periods: payments of salary claims will thus be made within a period not exceeding 72 hours, starting from receipt of the statements of claims drawn up by the judicial representatives;
- Relaxation of the formalism of the statement of claims established by the agent: the visa of the bankruptcy judge may be sent a posteriori and the signature of the employees' representative is not required;
- Suspension for a period of 3 months (March to June) of the payment schedules granted by the AGS for the settlement of claims not subject to the terms of the safeguard or recovery plan;
- Exceptionally, coverage of claims from employees who could not be dismissed during the legal guarantee period due to the constraints related to containment;
- Extension of the limits of the AGS guarantee (ceiling of 45 days) for salaries due in the event of compulsory liquidation;
- In the event of recourse to short-time working, guarantee of salaries corresponding to the employer's share;
- Delays in implementing procedures for dismissal for economic reasons deferred, due to the impossibility for the judicial agents to respect legal obligations:
- Financial support for companies in collective proceedings when they are able to obtain a recovery plan or a safeguard plan:
 - exceptionally longer repayment periods of up to 24 or 30 months;
 - and for those who will not be able to meet current repayment schedules, deferral without penalty until June 30, 2020.
- In the same way as the social security contributions, the employer's contributions required to finance the AGS scheme are being deferred.

Right of withdrawal

- The Administration does not seem to consider that employees can exercise a possible right of withdrawal in the current circumstances related to the coronavirus as long as the employer complies with the national recommendations

Sick leave / Teleworking

- For parents with no childcare solution for their children under the age of 16, the work stoppage will be automatic and without a waiting period of 21 days. All or part of the salary will therefore be borne 50% by Social Security from the first day of the stoppage. An additional indemnity will be paid by the employer, without any seniority condition in the context of Covid-19, in the usual proportions.
- Work stoppage for the duration of the closure of the childcare facility concerned. However, the Government has specified that the telework option must take precedence over the work stoppage option.

Employment-related measures (continued)
(e.g. state compensation schemes, training...)

Bill n°2023-323: Emergency measures in relation to paid holidays, hours of work and rest days - *The provisions set out below may not extend beyond 31 December 2020.*

- Holiday pay provisions:
 - An enterprise agreement or a branch agreement may determine the conditions under which the employer is authorized to impose the taking of paid leave or to modify the dates of leave already taken, within the limit of 6 working days, and respecting a notice period of one clear day. This also applies to days of paid leave acquired before the start of the period during which it is to be taken.
 - The agreement may authorize the employer to split the leave without the employee's consent.
- Provisions relating to RWC: By way of derogation from the agreement or the collective agreement establishing a working time reduction scheme, the employer has the possibility of imposing or modifying the RWC acquired by the employee, including those of his choice, subject to one clear day's notice.
- Provisions relating to rest days for fixed days: The employer may modify or impose, subject to one clear day's notice, days or half-days of rest for employees on fixed days, by derogation from the provisions of the collective agreement applicable in the undertaking, establishment or branch.
- Provisions relating to the TSA: Possibility of imposing the taking of assigned days on the time savings account.
- Provisions applicable to the reduced working hours (French JRTTs), to the days of leave of the forfeit days and to those of the TSA: This article limits the total number of rest days that the employer may require to be taken to 10 days (days referred to in articles 2 to 4).
- Only companies in sectors essential to the continuity of economic life and the security of the Nation may be subject to the following provisions, which will cease to have effect on 31 December 2020, bearing in mind that the essential sectors will be specified by decree:
 - With regard to working hours:
 - Possibility to derogate from the rules of public order in terms of maximum daily working hours, maximum daily hours worked by a night worker, length of daily rest, maximum absolute and average weekly hours, weekly hours of night work;
 - The maximum daily working time is increased to 12 hours (10 hours in normal time);
 - The maximum daily working time for night work is increased to 12 hours with compensatory rest (8 hours in normal time);
 - The daily rest period is reduced to 9 hours with the possibility of compensatory rest for overtime worked (11 hours in normal time);
 - Working hours are increased to 60 hours/week (48 hours in normal time);
 - Increase in the weekly working time calculated over a period of 12 consecutive weeks to 48 hours (44 hours in normal time);
 - Increase in the weekly night working hours calculated over a period of 12 consecutive weeks to 44 hours (40 hours in normal time);
 - The employer must inform without delay the SEC and the DIRECCTE.
 - With regard to Sunday rest:
 - Possibility to derogate from the Sunday rest rule by allocating the weekly rest in shifts;
 - Applicable to undertakings which provide services necessary for the performance of the main activity of those in sectors essential to the continuity of economic life and the security of the nation

Employment-related measures (continued)

(e.g. state compensation schemes, training...)

Ordinance on IORPs (presented to the Council of Ministers on 1 April 2020) :

- Immediate suspension of all electoral processes underway in companies on the date of publication of the Ordinance (in principle on 2 April). Effects as of 12 March 2020.
- Important guarantees concerning the status and protection of staff representatives in the exercise of their mandate (extension of current mandates, extension of their specific protection).
- The use of videoconferencing is authorized for all meetings.

Ordinance relating to the postponement of the ballot to measure the trade union hearing of employees in companies with less than eleven employees and to the extension of the mandates of the industrial tribunal advisers and members of the regional inter-professional joint committees (presented to the Council of Ministers on 1 April 2020) :

- Article 1 allows for the postponement of the next vote, which may be held in the first half of 2021.
- Article 2 postpones the date of the next general renewal of the terms of office of the industrial tribunal members (date fixed by decree no later than 31 December 2020).
- Article 3 postpones the next renewal of the members of the regional joint interprofessional commissions (date fixed by decree no later than 31 December 2020).

Paid Leave

- An amendment to the emergency bill provides that it would be possible to impose 6 days of paid leave earned over the period 2019/2020, by collective company agreement, until May, 31st 2020. The text would give companies the unilateral possibility to impose or modify the dates of Reduction of working time (RTT) or days of the time savings account, by derogating from the deadline set by the Labor Code

Order published in the OJ of 27 March 2020 - *The provisions of the Ordinance are applicable until a date to be determined by decree, and until 31 December 2020 at the latest.*

- Provisions relating to the equivalence regime:
 - This concerns employees subject to the scheme (professions and jobs involving periods of inactivity in the hospital, transport, tourism sectors, etc.).
 - For the calculation of the allowance and the partial allowance, account shall be taken of the paid equivalent hours
 - The duration considered as equivalent is used instead of the legal working time.
- Provisions relating to public undertakings: Opening of the benefit of partial activity to public undertakings which insure themselves against the risk of unemployment.

- Provisions relating to the hourly rate of the partial activity for part-time employees:
 - Principle: the hourly rate of the partial activity allowance paid to part-time employees may not be less than the hourly rate of the SMIC.
 - Exception: if the hourly rate of remuneration of the part-time employee is less than the hourly rate of the SMIC, then the hourly rate of the partial activity allowance paid is equal to his hourly rate of remuneration. Provisions relating to apprenticeship and professionalization contracts:
 - The employees concerned receive a partial activity allowance equal to the % of the SMIC applicable to them.
- Provisions applicable to employees undergoing training:
 - The conditions of compensation for employees undergoing training during the period of partial activity are aligned with the conditions of compensation under ordinary law for employees in partial activity.
- Provisions applicable to protected employees: The partial activity is compulsory for the protected employee, without the employer's agreement, as long as it affects all employees of the company, establishment or department to which the person concerned is assigned or attached.
- Provisions applicable to home-workers and child-minders: Employees employed at home by private employers and child-minders benefit, on a temporary and exceptional basis, from a partial activity scheme. Provisions applicable to employees with a fixed day rate and to employees not subject to statutory or conventional working hours: The number of hours taken into account for the partial activity allowance and the partial activity allowance is determined by converting a number of days or half-days into hours.
- Provisions applicable to employees of foreign companies with no establishment in France: Applicable to foreign companies with no establishment in France that employ at least one employee carrying out his activity on the national territory and who is covered by the French social security and unemployment insurance system.
- It should be noted that the website urssaf.fr indicates that the partial activity allowance paid to the employee (as from the periods of employment in March and until a date set by decree and no later than 31 December 2020) is a replacement income and is therefore not subject to social security contributions and is subject to the CSG and CRDS at the rate of 6.70% after a deduction of 1.75%. In the context of maintaining remuneration above the threshold of 70% of the gross salary, this social regime is also applicable to the complementary compensation paid by the employer, pursuant to a collective agreement or a unilateral decision.
- Note: Decrees to be published must provide details on the measures of this ordinance.

Updated

As of 03 April 2020

Employment-related measures (continued)
(e.g. state compensation schemes, training...)

In the event of safeguard proceedings or receivership or judicial liquidation, or the employer's financial difficulties, the Prefect, or on delegation from the Regional Director of Enterprises, Competition, Consumer Affairs, Labor and Employment, may arrange for the direct payment by the Service Agency of the partial activity allowance to employees.

The procedure of direct payment by the Service Agency and payment of the partial activity allowance to employees may also be used to provide, under the supervision of the employment services, compensation for homeworkers usually employed by several employers.

Ordinance No. 2020-387 of 1 April 2020 lays down specific provisions on vocational training for employers, training organizations and operators:

Postponement from 1 January 2021 to 1 January 2022 of the deadline initially set by law for vocational training organizations to obtain quality certification.

Deferral until December 31, 2020 of the completion by the employer of interviews to assess each employee's career path, as well as the transitional measure provided for by Ordinance no. 2019-861 of August 21, 2019, which allows the employer to meet its obligations by referring either to the provisions in force on December 31, 2018, or by taking into account the provisions resulting from the Act of September 5, 2019. It also suspends until 31 December 2020 the application of the sanctions provided for by the law in the event that these interviews have not been carried out within the deadlines.

Authorization of the operators of skills and the regional inter-professional joint commissions, associations called Transition Pro, to finance on a flat-rate basis the validation of experience gained, from the positioning, to the jury, including support in the constitution of admissibility files. The amount of the lump-sum financial support will be determined by the funders, within the limit of €3,000.

Extension of apprenticeship and professionalization contracts, to take into account the suspension of the reception of apprentices and trainees by apprentice training centers and training organizations since March 12, 2020.

Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

Mobilization of BPI France

- Following the acceleration of events, a number of Bpifrance measures for banks are operational. The companies concerned can contact their banking contact to request the mobilization of this measure or contact BPI directly on their website. Bpi France automatically defers all CBI loan maturities (capital + interest) and rents for a period of 6 months and with no application fees.

Caution: This aid is intended to deal with "cyclical" difficulties, directly linked to the consequences of the VIDOC-19 crisis. This means that they are not automatic, particularly for companies in difficulty. The notion of "company in difficulty" has yet to be defined (loss-making results for several years, collective procedures, etc.) and the cases concerned will be dealt with on a case-by-case basis by BPI.

1 / Guaranties:

- Guarantee Fund "Reinforcement of the Treasury".
 - Intended for VSEs, SMEs and Mid-cap companies (ST consolidation in MT and new money)
 - Guarantee up to 90% on liquidity enhancement loans from 2 to 7 years
 - Used to guarantee long and medium-term loans, movable and immovable leases, financial leases, etc.
 - Term: 2 to 7 years (can be extended to 15 years [max.] for loans with a security interest in a real estate asset or in the case of a sale and leaseback of real estate)
 - Up to 5m€ for SMEs and up to 30m€ for ETIs
 - Elimination period reduced to 6 months
- Guarantee Fund "Confirmed Line of Credit".
 - Intended for SMEs and Mid-cap companies, renewable only once
 - Up to 90% guarantee on confirmed credit lines for a period of 12 to 18 months
 - Used to guarantee the renewal of confirmed ST lines of credit (overdrafts, overdraft facilities, discounts, daily, etc.)
 - For financing the business operating cycle
 - Guarantee equal to the duration of the CT line (up to 5m€ for SMEs and up to 30m€ for Mid-cap companies)
 - 4-month waiting period

/ Mid term financing

- Asset Loan:
 - Intended for VSEs, SMEs and Mid-cap companies, with at least 12 months of balance sheet
 - Used for one-off cash requirements and an exceptional increase in working capital requirement, linked to the economic situation
 - 50k€ to 5m€ for SMEs, and up to 30m€ for Mid-cap companies
 - Term: between 3 and 5 years, of which 6 to 12 months of deferred depreciation
 - Unsecured loan on the assets of the company or its manager
- Ready to bounce:
 - Intended for VSEs, SMEs and Mid-cap companies
 - Partnership with the Regions and co-financed
 - Allows financing a cash requirement related to a cyclical difficulty, a temporary fragile situation, or a working capital requirement that does not allow normal operating conditions.
 - Financing ceiling: 10k€ to 300k€.
 - Term: 7 years, including 2 years of deferred capital amortization

3 / Evolution of the Factoring guarantee system:

- For factoring companies currently benefiting from agreements for the benefit of SMEs, the proposed changes are:
 - Increase the max. outstanding amount of secured receivables from €200k to €500k
 - Allow the release of the security deposit

Economic stimulus measures (continued)
(e.g. loans, moratorium on debt repayments...)

Mobilization of BPI Assurance Export

1 / Export guarantees and pre-financing:

- For SMEs and ETIs, Bpifrance Export Insurance will now cover, and for the duration of the Covid-19 epidemic, its policyholders (credit institutions) up to 90% of issued and declared guarantee commitments (export guarantee insurance) or pre-financing set up (pre-financing guarantee) - compared to 80% previously. For the other companies, the insured will be covered up to 70%, compared to 50% previously.
- Companies applying for an export pre-financing guarantee will now have six months (compared to four months previously) for the bank to set up the underlying pre-financing credit as from the notification by Bpifrance Assurance Export of the granting of its guarantee.
- For companies, this measure will enable them to mobilize less cash in the implementation of export operations.
- For issuing institutions, this measure will reduce the risk when issuing guarantees or setting up pre-financing credits, as well as provide additional time to set up pre-financing credits, facilitating the granting of such financing to companies.

2 / Extension by one year of the prospecting period covered by prospecting insurance:

- Companies that have taken out a current Prospecting Insurance will benefit from an additional year of insured prospecting (3 years of prospecting for 2-year contracts, 4 years of prospecting for 3-year contracts).
- Thus, companies will be able to benefit from an additional year of prospecting in order to avoid the failure of their prospecting efforts and, if necessary, improve their turnover in the area concerned.

3 / Expansion of the Cap France export reinsurance scheme for short-term export credits:

- Thanks to the Cap France export scheme, the State will reinsure, via Bpifrance Assurance Export, private insurers to support the credit insurance market on short-term export receivables (less than 2 years), with 2 levels of cover:
- In addition to the cover offered by private insurance
- Or to maintain coverage on clients who are more difficult to insure.
- This scheme will be valid for a wide range of export destinations (beyond the 17 currently covered), including European Union states and OECD members.
- The ceiling for government intervention in this scheme is doubled to €2 billion, thanks to the guarantee provided for in the amended finance law of 23 March 2020.
- For companies, this measure will make it possible to maintain a credit insurance scheme to secure cash flows.
- For insurers: a public reinsurance capacity enabling them to cope with a general increase in international payment incidents due to the deterioration of the global economic situation.

4 / Public financing instruments for export:

- The use of the usual public export financing instruments remains fully accessible to French exporters during the period of economic slowdown linked to the Covid epidemic¹⁹:
- Credit insurance (buyer credit): this tool enables lending banks to be covered by Bpifrance Export Insurance against the risk of non-payment of sums due by the foreign buyer under the credit granted to enable it to finance the transaction concluded with a French supplier.

Updated

Economic stimulus measures (continued)

(e.g. loans, moratorium on debt repayments...)

Credit mediation (renegotiation of credit lines)

- Support from the State and the Bank of France (credit mediation) to negotiate with his bank a rescheduling of bank loans
- Credit Mediation is open to any company of any size and in any sector that is experiencing financing difficulties with its banking partners or that is suffering the consequences of a reduction in guarantees from a credit insurer
- The Credit Mediation Department may accept companies in amicable procedure (ad-hoc mandate, conciliation), in safeguard or receivership, and exceptionally in compulsory liquidation following a request from the receiver on a possible takeover project approved by the Commercial Court requiring financing
- Enter the file online (<https://mediateur-credit.banque-france.fr/>)

Press Release of the French Banking Federation (15 March):

- Several measures, combined with exceptional public support measures for businesses, have been decided by the banking institutions, to be dealt with on a case-by-case basis:
 - Implementation of accelerated credit appraisal procedures for tense cash flow situations, within 5 days, with special attention to emergency situations.
 - Deferral of credit repayments for businesses for up to six months
 - Removal of penalties and additional costs of extensions and credits for businesses
 - Suspension of equipment leasing maturities

PFB press release - State-guaranteed loans (24 March):

- The State-guaranteed loan is a one-year treasury loan and will have a grace period over this period.
- At the end of the first year, the company may decide to amortize the loan over a further 1, 2, 3, 4 or 5 years.
- This cash loan may cover up to three months of sales up to a maximum of 25% of sales excluding VAT in 2019 (i.e. the equivalent of one quarter of activity), or of the last financial year ended. As an exception, for newly created or innovative companies, this ceiling is set at 2 years of payroll.
- The loan benefits from a State guarantee of:
 - 90%, for companies with < 5,000 employees and < €1.5bn turnover.
 - 80%, for companies > 5,000 employees and < €5.0bn turnover
 - 70%, for companies > 5,000 employees and > €5.0bn turnover
- These loans may not be covered by any other guarantee or security, except when they are granted to companies in France employing more than 5,000 employees or generating sales of more than €1.5 billion.
- This loan is intended for all economic activities having an economic activity, except for some exclusions in the financial sector and ICS
- In conditions of exceptional speed, the banks were able to prepare the banking networks and advisers to be able to market the state-guaranteed loan as of 25 March.
- The cost of the loan will be made up of each bank's own financing cost (interest rate), without margin, plus the cost of the State guarantee.
- The step to be taken by an interested company is to get closer to its bank. The bank will examine the company's application. After having obtained a preliminary agreement from the bank, the company will have to take steps on the Bpifrance site in order to finalize the signature of the loan. After confirmation from the BPI, the bank will grant the loan.
- Bercy has set up a ministerial crisis committee on payment deadlines to ensure inter-company financing and cash flow.
- Identified delinquent payers will not be eligible for the state loan guarantee.

Other measures and sources

Business mediator (customers vs. suppliers)

- As part of the Government's efforts to combat the outbreak of the Covid-19 coronavirus, the Business Ombudsman is one of the mechanisms put forward for providing assistance to economic actors.
- The Company Ombudsman is called upon to help companies experiencing economic difficulties due to disputes caused by the consequences of the health crisis.
- When to refer a case to the Ombudsman:
 - Any dispute relating to the performance of a contract under private law, including tacit contracts, or of a public order, may be referred to the courts.
 - Unbalanced contractual clauses, unfulfilled payment terms, abrupt breach of contract, misappropriation of intellectual property
 - Any company or public entity, whatever its size or sector, may refer a complaint to the Ombudsman.
- A form available on the internet including:
 - Referral framework (public order or not / individual or collective approach);
 - Information about the company / organization;
 - Subject-matter of the dispute;
 - Information on the party causing the difficulties
 - Website: <https://www.mieist.bercy.gouv.fr>
 - Businesses can also get in touch with Judicial Administrators who are trained to help businesses in difficulty
 - The court administrator is charged by a court decision with administering the property of others or exercising assistance or supervisory functions in the management of such property. He/She establishes a diagnosis of the company and determines, with the manager and his/her advisers, the legal procedure adapted to the company's difficulties. He/She intervenes in the context of amicable or collective proceedings.

Recognition by the State of the Coronavirus as a case of force majeure for its public contracts.

- Consequently, for all State public procurement contracts, penalties for delays will not be applied.
- It is essential to check whether the contract in question contains a force majeure clause, what criteria must be used for an event to constitute force majeure, under what conditions the force majeure can be implemented (form and deadline for formal notice) and what are the consequences thereof

Freeze and deferral of certain current expenses

- Measures regarding the suspension of payments of water gas and power bills and inapplicability of certain lease agreements provisions for Very small enterprises
- With regard to shopping center retail, the National Council of Shopping Centers (CNCC) has already invited its lessor members to monthly pay the rents and charges invoiced for the second quarter and to temporarily suspend the collection of rents and charges for the month of April.
- In addition, the members of the FFA (Insurance) have also undertaken to defer the payment of rents for SMEs and VSEs belonging to one of the sectors whose activity is interrupted pursuant to the decree of 15 March 2020
- For sectors whose activity is interrupted: Auditoriums, conference, meeting, show or multipurpose rooms; Sales shops and shopping centers; Restaurants and pubs; Dance halls and games rooms; Libraries, documentation centers; Exhibition halls; Covered sports establishments; Museums.
- Rents and charges will be called monthly instead of quarterly;
- The collection of rents and charges is suspended as of 1 April 2020, and for the subsequent periods of cessation of activity imposed by the decree. When business resumes, these rents and charges will be subject to deferred payment or spread without penalty or interest on arrears and adapted to the situation of the companies in question.

Solidarity Fund €2bn for small businesses (3 months)

- (turnover < €1m), having lost 70% of their turnover between March 2019 and March 2020 and for self-employed professionals whose taxable profit for the last financial year is less than €40k: €1500 in rapid assistance.
- Additional aid paid by the region: These companies will be eligible for an additional flat-rate aid of €2000 if they employ at least one employee, are unable to pay their debts within 30 days and have been refused a cash loan by their bank.
- From 1 April, all companies concerned will be able to make a simple declaration on the tax website - impots.gouv.fr - to receive aid of up to €1,500. This sum will be tax-free.
- From 15 April, the companies experiencing the most difficulties will be able to obtain, on a case-by-case basis from the regions, additional aid of €2000.

Other measures and sources (continued)

Payment Incentive / Profit-sharing

- Notwithstanding the provisions of the French Labor Code governing the payment of sums due in respect of profit-sharing or incentive schemes and the contractual stipulations applicable in the company, the deadline for payment to beneficiaries or allocation to an employee savings plan or a blocked current account of sums allocated in 2020 under a profit-sharing or incentive scheme is postponed to December 31, 2020. Exceptionally, the Order extends this deadline to December 31, 2020.

Payment Exceptional purchasing power bonus

- The emergency law allows the deadline and conditions of payment of the exceptional purchasing power bonus (to be paid initially between 28 December 2019 and 30 June 2020) to be modified.

Extension of deadlines regarding approval of accounts

- Extension of deadlines regarding approvals of accounts (3 months) when accounts has not been approved by 12 March 2020;
- Extension by two months of the deadline quoted in article L225-68 of the French Code of Commerce regarding the documents to be submitted before the supervisory board if the designated auditor has not submitted his report before 12 March 2020
- Extension of the deadline by three months of the deadline for the liquidator to set the accounts of the company for the purpose of liquidation;
- Extension of the deadline by two months, for the relevant companies having to submit an assessment of assets and liabilities, a forecast estimated results account, a cash flow statement and a forecast estimated cash flow statement
- Extension of the deadline by three months for the companies benefitting of a public subsidy to produce a financial report as quoted in article 10 of Law N°2000-321 dated 12 April 2000.

Adaptation of legal provisions regarding deadlines in jurisdictional proceedings and in contracts

- Regarding jurisdictional proceedings (civil jurisdictions, criminal jurisdictions, administrative jurisdictions), extension of some deadlines, reorganization of some jurisdictions (transfer of attributions for example)
- Regarding contracts, extension of some deadlines (however, not for financial obligations and guarantees mentioned at articles L 211-36 of the French Financial and Monetary Code);
- Day penalties, penalty provisions, termination provisions, when their purpose is to sanction the lack of performance of an obligation in a determined deadline, if such deadline is set in a period between 12 March 2020 and the expiry of a deadline of one month counting from the end of the sanitary state of emergency are reputed not have entered into force before the end of the period quoted above;
- When an agreement can only be terminated during a determined schedule or is renewed in absence of denunciation within a limited period, such period or deadline are extended if they expire between 12 March 2020 and two months after the expiry of the sanitary state of emergency.

Payment Exceptional Purchasing Power Premium (Ordinance presented to the Council of Ministers on 1 April 2020)

- The deadline for payment of the exceptional purchasing power bonus has been extended to 31 August (formerly 30 June);
- All companies can pay this exceptional bonus free of charge up to 1000 euros without a profit-sharing agreement being in place.
- For companies that have a profit-sharing agreement, the amount of the exceptional bonus may be doubled.
- In order to be able to reward more specifically employees who worked during the Covid-19 epidemic, a new criterion for modulating the bonus may be adopted by the collective agreement or by the unilateral decision of the employer implementing this bonus. It will be possible to take into account the working conditions linked to the epidemic.

Measures regarding contracts under the French Public Procurement Code Regime and other assimilated agreements.

- Authorization of extension of deadlines of receipt for submissions of applications
- Faculty of extending, under certain conditions, the contracts that have expired
- Extension of the deadline for the performance by the winner of the tender in the event of an evident excessive difficulty to perform the market;
- Faculty to indemnify the winner of the tender in the event of termination of a market or an agreement due to the sanitary measures in place;
- Faculty for the buyers in public procurement agreements to pay in certain conditions to pay an advance superior to 60% of the amount of the public procurement.

Other measures and sources (continued)

Main sources of information

- Legifrance: <https://www.legifrance.gouv.fr/>
- Ministry of Finance: <https://www.economie.gouv.fr/coronavirus-soutien-entreprises>
- BPI Portal: <https://contacts.bpifrance.fr/serviceclient/demande/siege>
- DIRECTE Portal: <http://directe.gouv.fr/>



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As of 03 April 2020

General Information

Overall, responses have focused on:
 1. Tax-related liquidity assistance
 2. Protective shield
 3. More flexible compensation benefits

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Tax-related liquidity assistance for businesses

- Deferrals or reductions of payable income-, corporate- and trade taxes are possible may be granted if companies prove to be immediately affected by the corona-crisis and regular tax collection would pose a substantial severity. Taxpayers may submit applications until 31 December 2020 for deferral of taxes already due or becoming due by that date.
- As soon as it becomes clear that a taxpayer’s income in the current year is expected to be lower than in the previous year, tax prepayments will be reduced in a straightforward manner. This will improve the liquidity situation of companies.
- Enforcement measures (e.g. direct debit into bank accounts) and late-payment penalties will be waived until 31 December 2020 if the debtor of a pending tax payment is directly affected by the coronavirus.
- With regard to taxes that are administered by the customs administration (e.g. energy duty and aviation tax), the Central Customs Authority (Generalzolldirektion) has been instructed to make appropriate concessions to taxpayers. The same applies to the Federal Central Tax Office (Bundeszentralamt für Steuern), which will proceed accordingly with regard to insurance tax and value added tax, which fall within its remit. More details will be given in the following days by the German Finance Minister.
- Social security contributions may be deferred under certain circumstances.
- Decisions regarding deferrals / reductions of payroll taxes are yet to be disclosed.

Other tax relief

Applications for a reduction of the trade tax base, for purposes of advance payments, can be submitted until 31 December 2020. A corresponding period for deferral applications and applications for adjustment of advance payments for income and corporation tax is also available.

The tax authorities may defer taxes if the collection would constitute a significant hardship. Taxpayers may submit applications until 31 December 2020 for deferral of taxes already due or becoming due by that date.

Tax deferrals are to be granted without interest.

Advance payments of income tax, corporate income tax, and trade tax may be made “on presentation of circumstances” by taxpayers that can show they are “directly and not inconsiderably affected” by COVID-19.

The next advance payments dates are 10 June 2020 for income tax and corporate tax, and 15 May 2020 for trade tax.

It may be possible to reduce advance tax payments “retroactively” but needs to be confirmed

Modifications of the Current Legal Situation

- The state will give the tax authorities more leeway in deferring tax debts: Deferrals or reductions of payable income-, corporate- and trade taxes may be granted if companies prove to be directly affected by the corona-crisis and regular tax collection would pose a substantial severity. Taxpayers may submit applications until 31 December 2020 for deferral of taxes already due or becoming due by that date.
- If companies are directly affected by the coronavirus, tax authorities are encouraged to waive enforcement measures and late payment penalties. This applies until the end of the year 2020.
- Social security contributions may be deferred under certain circumstances.
- Decisions regarding deferrals / reductions of payroll taxes are yet to be disclosed.
- The Central Customs Authority (Generalzolldirektion, energy duty and aviation tax) as well as the Federal Central Tax Office (Bundeszentralamt für Steuern, insurance tax and value added tax) have been instructed to make appropriate concessions to taxpayers. Details will be given in the following days by the German Finance Minister.
- Conditions of Advance Payments
- The conditions for advance payments by taxpayers will be adjusted according to the situation (reduction of prepayments as soon as it becomes clear that a taxpayer’s income in the current year will be lower than in the previous year).



Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>
<p>Conditions of Advance Payments</p> <ul style="list-style-type: none"> – The conditions for advance payments by taxpayers will be adjusted according to the situation (reduction of prepayments as soon as it becomes clear that a taxpayer's income in the current year will be lower than in the previous year). <p>Further Information</p> <ul style="list-style-type: none"> – These tax measures are particularly important for freelancers and small businesses, who should contact their tax office for this purpose. – All in all, companies are granted the possibility of tax deferrals in the billions. The Federal Ministry of Finance has initiated the necessary coordination with the federal states on this issue. 	<p>Act to Improve the Regulation on Short-Time Working</p> <ul style="list-style-type: none"> – The law passed on the temporary crisis-related improvement of the regulations for short-time working compensation on March 13, 2020 and the following statutory-decrees of the Federal Government, which are limited in time until the end of 2021, facilitate access to short-time working compensation, relieve companies from social security contributions and also enable temporary workers to access short-time working compensation. – Before the change in law, at least one third of the employees had to be affected by the loss of working hours in order to qualify for the relief of short-time work compensation. Now it is sufficient that only ten percent of a company's employees are affected by a loss of 10% of their working hours. – Short-time working compensation can be paid up to 12 months. – Negative working time balances do not need to be offset to avoid short-time working. – For the first time, short-time working compensation can also be paid to temporary workers. – It is not necessary anymore to first use up paid holidays. <p>Refund of Social Security Contributions</p> <ul style="list-style-type: none"> – Employers are to receive full reimbursement of social security contributions. However, this only applies to companies that fall within the scope of the Act of short-time working. <p>Retrospective Effectiveness</p> <ul style="list-style-type: none"> – These facilitations will take effect ex post facto from 01 March 2020 and will be paid retroactively. <p>Reduced hours (Kurzarbeitsgeld) (continued)</p> <ul style="list-style-type: none"> – Companies may receive reduced hour compensation when at least 10% of their are affected by a working hour-shortage (i.e.: don't have any more work to do) of at least 10%. Previously, 1/3 of the employees had to be affected by shorter working hours in order for the company to get reduced hour compensation. – Waiver of negative working hours: Employees mustn't offset negative working hour balances anymore. Previously, negative working hour balances had to be compensated in order to be eligible for reduced hours compensation – It is not necessary anymore to first use up paid holidays. – For the first time reduced hours compensation benefit will also be available to temporary/agency workers. – Complete reimbursement of social security contributions by the Federal Labor Office.



Employment-related measures (continued) <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>
<p>Reduced hours (Kurzarbeitergeld) (continued)</p> <p>Law on the Prevention and Control of Infectious Disease</p> <ul style="list-style-type: none"> – In the event of illness or a justified suspicion of illness, whereby the employee is quarantined, the employer is obliged under the Continued Remuneration Act to continue to pay the employee his regular salary for up to six weeks. At the beginning of the seventh week, sickness benefit at the regular rate of approximately 70% of the net salary is paid by the health insurance company. – Even in the case of an illness or the justified suspicion of an illness which falls within the scope of application of the Law on Prevention and Control of Infectious Disease, this general regulation remains in force. However, the employer will be reimbursed the wages paid in the first six weeks by the competent authority on application. In the seventh week, the sickness insurance fund pays the wage, which may in turn request reimbursement from the competent authority. – In contrast to the continued remuneration, self-employed workers and freelancers are also entitled to compensation. According to the Law on Prevention and Control of Infectious Disease they can apply to the competent authority for financial reimbursement in the amount of their loss of earnings. <p>Due to the Covid-19 crisis the German government has</p> <ul style="list-style-type: none"> – Reduced the threshold for the minimum number of employees who have to work short-time from 30% to 10% 	<p>Draft bill of the German Government as of 24th March 2020 (19/18110)</p> <p>Regulations to protect domestic and commercial tenants</p> <ul style="list-style-type: none"> – Tenant <ul style="list-style-type: none"> • A lease contract cannot be terminated by the landlord if the tenant is in default with its monthly rent payments in the period from 1 April 2020 until 30 June 2020 due to the effects of the COVID-19-Pandemic. • The tenant shall compensate the rent arrears until 30 June 2022 at the latest. In the event of a dispute, the tenant must substantiate that the non-payment was based on the effects of the COVID-19-Pandemic. • The modifications are applicable for domestic and commercial tenants. – Landlord <ul style="list-style-type: none"> • The termination rights of the landlords are restricted. A lease may not be terminated on the grounds that the tenant is in default with its monthly rent payments in the period from 1 April 2020 until 30 June 2020 if the non-payment was due to the effects of the COVID-19-Pandemic (the said period may be prolonged in the future till 30 September 2020 or even further). • A deviation of this regulation to the disadvantage of the tenant is excluded. Landlords must accept non-payments of the rent for up to 24 months, which can be interpreted as a legally enforced deferral of the rent. The obligation of the tenant to pay rent is not suspended. Interest on the arrears and damages caused by delay are to be compensated. The termination right revives, if the tenant does not compensate the rent arrears until 30 June 2022. Terminations of the lease because of other breaches of the lease agreement are still possible. Further, the landlord can utilize the rent security during the lease term if and to the extent the landlord's payment claim against the tenant is undisputed. <p>Suspension of the obligation to file for insolvency</p> <ul style="list-style-type: none"> – The obligation to file for insolvency will be suspended until 30 September 2020 for companies which are suffering economic difficulties or have become illiquid because of the COVID-19-Pandemic (the suspension will not apply in cases in which the insolvency is not due to the Pandemic) provided that there are viable prospects for a future recovery from the illiquidity. Incentives are also to be put in place to help affected companies to operate economically again and to uphold their business relations. For a three-month transition period, the rights of creditors to request the opening of insolvency procedures are to be restricted. – If companies take advantage of the suspension of the obligation to file for insolvency, there are strict requirements regarding those companies' documentation: – A liquidity status that demonstrates solvency as of 31.12.2019 or later must be prepared. – Maturity statistics for vendors, debtors, other liabilities etc. as of the above reporting date to support the liquidity status must be prepared (Caution: this can usually not be created afterwards). – Evidence must be shown that the financing problems result from the Corona-pandemic.



Economic stimulus measures (continued)

(e.g. loans, moratorium on debt repayments...)

A protective shield worth billions for businesses

- The German government will protect businesses with new measures to provide liquidity, the volume of which is unlimited. Most of the Corona aids are active.
- Existing liquidity assistance programs will be expanded to make it easier for companies to access cheap loans. This can mobilize a large volume of liquidity-enhancing loans from commercial banks. To this end, established instruments complementing loans offered by private banks will be extended and made available to a greater number of companies, a.o. via the state-owned development bank KfW (“Kreditanstalt für Wiederaufbau”):
- Conditions for the KfW-Unternehmerkredit (business loan for existing companies) and the ERP-Gründerkredit-Universell (start-up loan for companies that are less than 5 years old) will be loosened by raising the level of risk assumptions (indemnity) for operating loans and extending these instruments to large enterprises with no limit regarding turnover a turnover of up to €2 billion (previously, the limit was €500 million). Higher risk assumptions of up to 80% for large enterprises and up to 90% for SMEs up to a turnover of €50million or 250 employees. will increase banks’ willingness to extend credit. Individual credits are limited to a volume of €1 billion and restricted to investments or purchases of operating material within Germany.
- In the case of the “KfW Loan for Growth”, the program aimed at larger companies, the current turnover threshold of €2 billion will be abolished raised to €5 billion. In the future, these loans will take the form of syndicated loans and will not be restricted to projects in one particular field (in the past, only innovation and digitalization projects were eligible). Risk assumption will be increased to up to 80%. This will improve larger companies’ access to syndicated loans. The minimum credit volume in this case is €25 million or equal to 50% of total debt.
- The Federation (“Bund”) established an economic stabilization fund containing €100 billion for direct recapitalization measures to ensure the solvency of companies (in particular the acquisition of shares or dormant holdings, subscription to profit-sharing rights or subordinated bonds), €400 billion for guarantees that help companies to counteract liquidity bottlenecks refinance themselves on the capital market, and €100 billion to refinance the KfW (Kreditanstalt für Wiederaufbau) in the implementation of the special programs assigned to it
- For guarantee banks (Bürgschaftsbanken), the guarantee limit for small enterprises will be doubled to €2.5 million. The Federation will increase its risk share in guarantee banks by 10% to make it easier to shoulder risks, which are difficult to assess in times of crisis. The upper limit of 35% of operating resources in guarantee banks’ total exposure will be increased to 50%. To accelerate liquidity provision, the Federation is giving guarantee banks the freedom to make guarantee decisions up to €250,000 independently and within a period of three days.

- The large guarantee program (parallel guarantees from the Federation (“Bund”) and the regions (“Länder”), which was previously limited to companies in structurally weak regions, will be opened to companies of other regions as well. In this program, the Federation covers operating loans and investments with a surety requirement upwards of €50 million and a guarantee rate of up to 80%.

Suspension of the obligation to file for insolvency

- Companies that are severely affected by the corona-crisis are exempted from the obligation to file for insolvency until September 30th 2020 under the following conditions:
- A company’s insolvency must be caused by the Corona-pandemic
- Prior to the suspension of the obligation to file for insolvency, there was no ground for insolvency
- There is justifiable prospect for rehabilitation if financial support will be granted
- Furthermore, there are strict requirements regarding companies’ documentation:
- Preparation of a liquidity status that demonstrates solvency as of 31.12.2019 or later
- Preparation of maturity statistics for vendors, debtors, other liabilities etc. as of the above reporting date to support the liquidity status (Caution: this can usually not be created afterwards)
- Evidence that the financing problems result from the Corona-pandemic



Economic stimulus measures (continued)
(e.g. loans, moratorium on debt repayments...)

Consumer loan agreements

- For consumer loan agreements entered into before 15 March 2020, claims for repayment, amortization and interest which are due between 1 April and 30 June 2020 are postponed by 3 months from their due date if and to the extent the consumer suffers a decline of income due to the COVID-19 pandemic, making fulfilment of the relevant obligation unbearable for the debtor, specifically in cases where the debtor's means for living are endangered.
- Creditors' termination rights on the basis of non-payment or deterioration of credit or a deterioration of the realizable value of any collateral granted for such loan are excluded until 30 June 2020. The creditor has to offer to the consumer to negotiate a potential agreement and conceivable measures of support. If the parties don't agree for the time period after 30 June the term of the agreement will be extended by 3 months.
- Please note: in exceptional cases if the postponement of the payment or the exclusion of the termination right are unbearable for the creditor, the relief for the debtor shall not apply.

Other regulations

- In the fields of cooperative law, company law, the law governing associations, foundations and the private ownership of apartments, as well as transformation law, provisions are to be eased. The aim is to enable the respective bodies to take necessary decisions and act in spite of ongoing restrictions on assembly. It is to be made easier to hold meetings using telecommunications. For a limited period, for instance, the annual general meetings of Aktiengesellschaften (public limited companies) may be held as virtual events without shareholders being present. For GmbH (private companies) it is to be easier to make decisions using written procedures. The proposed changes to the law governing the private ownership of apartments is to make it possible to dispense with annual meetings of owners for the meantime.

Kreditanstalt für Wiederaufbau (KfW)

- The German Federal Government has adopted a package of measures to help companies cope with the coronavirus crisis. The role of the state-owned development bank KfW in this crisis is to facilitate the short-term supply of liquidity to companies.

KfW Entrepreneur Loan

- Companies on the market for longer than 5 years
- Assumption of risk (liability waivers) of up to 80% for the on-lending financing partners (usually the regular banks) for large enterprises and up to 90% for the on-lending financing partners for SMEs up to a turnover of €50 million or 250 employees.
- Restricted to working capital loans with a volume of lending of up to EUR 1 billion. A higher degree of risk assumption can facilitate the willingness of financing partners to grant loans.
- Granting of liability waiver to large companies, regardless of the volume of their annual turnover (previously: EUR 500 million).

ERP Start-Up Loan – Universal

- Young companies on the market for less than 5 years
- Assumption of risk of up to 80% for the on-lending financing partners (usually the regular banks) for large enterprises and up to 90% for the on-lending financing partners for SMEs up to a turnover of €50 million or 250 employees.
- Restricted to working capital loans up to EUR 1 billion. A higher degree of risk assumption can facilitate the willingness of financing partners to grant loans.
- Granting of liability waiver to large companies, regardless of the volume of their annual turnover (previously: EUR 500 million).

Direct participation for syndicated financing

- KfW Special Program - Syndicated financing with a minimum of €25 million and a maximum of 50% of the company's total debt.
- KfW participates in syndicated financing for investments and working capital of medium-sized and large enterprises. KfW assumes up to 80% of the total risk.



Economic stimulus measures (continued) (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Direct recapitalisation</p> <ul style="list-style-type: none"> – The Federation (“Bund”) established an economic stabilization fund containing €100 billion for direct recapitalization measures to ensure the solvency of companies (in particular the acquisition of shares or dormant holdings, subscription to profit-sharing rights or subordinated bonds), €400 billion for guarantees that help companies to counteract liquidity bottlenecks and to refinance themselves on the capital market, and €100 billion to refinance the KfW (Kreditanstalt für Wiederaufbau) in the implementation of the special programs assigned to it – For guarantee banks (Bürgschaftsbanken), the guarantee limit for small enterprises will be doubled to €2.5 million. The Federation will increase its risk share in guarantee banks by 10% to make it easier to shoulder risks, which are difficult to assess in times of crisis. The upper limit of 35% of operating resources in guarantee banks’ total exposure will be increased to 50%. To accelerate liquidity provision, the Federation is giving guarantee banks the freedom to make guarantee decisions up to €250,000 independently and within a period of three days. – The large guarantee program (parallel guarantees from the Federation (“Bund”) and the regions (“Länder”), which was previously limited to companies in structurally weak regions, will be opened to companies of other regions as well. In this program, the Federation covers operating loans and investments with a surety requirement upwards of €50 million and a guarantee rate of up to 80%. 	<p>Law on the Prevention and Control of Infectious Disease</p> <ul style="list-style-type: none"> – In the event of illness or a justified suspicion of illness, whereby the employee is quarantined, the employer is obliged under the Continued Remuneration Act to continue to pay the employee his regular salary for up to six weeks. At the beginning of the seventh week, sickness benefit at the regular rate of approximately 70% of the net salary wage is paid by the health insurance company – up to . – Even in the case of an illness or the justified suspicion of an illness which falls within the scope of application of the Law on Prevention and Control of Infectious Disease, this general regulation remains in force. However, the employer will be reimbursed the wages paid in the first six weeks by the competent authority on application. In the seventh week, the sickness insurance fund pays the wage, which may in turn request reimbursement from the competent authority. – In contrast to the continued remuneration, self-employed workers and freelancers are also entitled to compensation. According to the Law on Prevention and Control of Infectious Disease they can apply to the competent authority for financial reimbursement in the amount of their loss of earnings <p>Temporary Border Controls</p> <ul style="list-style-type: none"> – Controls at the internal borders with Austria, Switzerland, France, Luxembourg and Denmark have again been carried out temporarily by the Federal Police since 16 March 2020. This is done on the basis of the Schengen Border Code. – However, the cross-border movement of goods and the entry of commuters remains possible. German citizens and people with residence permits in Germany may also continue to enter the country.



Other measures and sources

Main sources of information

- Federal Government: Protective shield for employees and companies: <https://www.bundesregierung.de/breg-de/themen/coronavirus/milliardenhilfen-wegen-corono-1730386>
- Federal Ministry of Labor: Coronavirus: Labor law implications: <https://www.bmas.de/DE/Presse/Meldungen/2020/corona-virus-arbeitsrechtliche-auswirkungen.html>
- Federal Government: Temporary border controls: <https://www.bundesregierung.de/breg-de/themen/coronavirus/kontrollen-an-den-grenzen-1730742>
- Federal Ministry of Economics and Energy: Effects of the coronavirus - information and support for companies: <https://www.bmwi.de/Redaktion/DE/Dossier/coronavirus.html#unterstuetzung>
- Federal Labor Office: Information regarding reduced hours compensation: https://www.arbeitsagentur.de/news/corona-virus-informationen-fuer-unternehmen-zum-kurzarbeitergeld?pk_content=Brand&pk_campaign=Kurzarbeitergeld_Corona&pk_source=Google_Paid&pk_medium=TextAd
- Federal Ministry of Finance: Economic Stabilization Fund: <https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Schlaglichter/Corona-Schutzschild/2020-03-19-Milliardenhilfe-fuer-alle.html>
- KfW: Corona-related help – Credits for companies: <https://www.kfw.de/KfW-Konzern/Newsroom/Aktuelles/KfW-Corona-Hilfe-Unternehmen.html>
- Federal ministry of justice and consumer protection – Suspension of the obligation to file for insolvency: https://www.bmju.de/SharedDocs/Pressemitteilungen/DE/2020/022320_GE_Corona.html
- Central association of health insurance companies: Social security contributions may be deferred: https://www.gkv-spitzenverband.de/gkv_spitzenverband/presse/pressemitteilungen_und_statements/pressemitteilung_1003392.jsp
- Federal Labor Office: Information regarding reduced hours compensation: https://www.arbeitsagentur.de/news/corona-virus-informationen-fuer-unternehmen-zum-kurzarbeitergeld?pk_content=Brand&pk_campaign=Kurzarbeitergeld_Corona&pk_source=Google_Paid&pk_medium=TextAd
- Federal Ministry of Finance: Economic Stabilization Fund: <https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Schlaglichter/Corona-Schutzschild/2020-03-19-Milliardenhilfe-fuer-alle.html>
- KfW: Corona-related help – Credits for companies: <https://www.kfw.de/KfW-Konzern/Newsroom/Aktuelles/KfW-Corona-Hilfe-Unternehmen.html>
- Federal ministry of justice and consumer protection – Suspension of the obligation to file for insolvency: https://www.bmju.de/SharedDocs/Pressemitteilungen/DE/2020/022320_GE_Corona.html



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As of 03 April 2020

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Other measures and sources
<p>Customs/Import and Other Miscellaneous Taxes</p> <ul style="list-style-type: none"> Import customs duties are waived until midnight on April 30, 2020 in respect of all classes of goods (except for the tobacco, fuel, and alcohol). This waiver will be reviewed by the government with business representative organizations before the end of April 2020. <p>Filing/Payment Deadline Extension</p> <ul style="list-style-type: none"> Employers in all sectors, during the second quarter of 2020, will be allowed to defer their payments of “pay as you earn” and social insurance (PAYE and SI) contributions by eight weeks from the due date. Any additional extensions is expected to be considered by the government in consultation with businesses. <p>Payroll Tax</p> <ul style="list-style-type: none"> The payment of salaries to employees by affected businesses in the hospitality, leisure, distributive, and catering sectors will not be subject to PAYE or employee or employer social insurance contributions for the month of April 2020. 	<p>Business and employee assistance terms</p> <ul style="list-style-type: none"> The COVID-19-related salary is £1,155 per month in relation to a full-time employee (working 7.5 hours per day or more) or a self-employed person, and would be apportioned for those who work less than full-time or are on zero-hours contracts. The COVID-19-related salary is not subject to income tax (whatever the cumulative income of the individual over the year of assessment) or a social insurance deduction on the part of the employer, the employee or the self-employed person (but social insurance would be deemed as paid for the purposes of that individual’s records). The amounts for the COVID-19-related salaries will be received by employers and the self-employed during the last week of each month during the “COVID-19 period” starting from the last week in April 2020—thereby allowing employers to pass these Covid-19- related salaries to employees in April (therefore, March salaries are still expected to be paid by employers as usual). This payment will initially be only for April 2020, but the government is also making arrangements so that these payments can continue, if necessary, in May and June 2020. Any terminations of employment registered by companies from 15 March 2020 will not be allowed without the specific consent of the Director of Employment, and this consent will only be granted in exceptional circumstances. 	<p>Main sources of information</p> <ul style="list-style-type: none"> Gibraltar: Relief for businesses affected by coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-gibraltar-relief-for-businesses-affected-by-coronavirus.html Gibraltar: More tax, business relief measures, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-gibraltar-more-tax-business-relief-measures-coronavirus.html



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As of 03 April 2020

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

Tax relief measures have further been announced to address the effects of the coronavirus (COVID -19) pandemic. The tax relief includes:

- A four-month deferral of value-added tax (VAT) payments and social security payments due at the end of March for companies operating in areas affected by the outbreak and which shut down for at least 10 days
- Extension to 31 August 2020 of the payment deadlines for tax remittances due in the period from 11 March 2020 until 31 April 2020
- Suspension of tax collection of assessed taxes that were unpaid as of 11 March 2020, suspended until 31 August 2020
- A reduced rate of value added tax (VAT)—reduced to 6% from 24%—for certain products that are necessary to protect against COVID-19 (such as mask and gloves, antiseptic liquids and wipes, etc.) effective until the end of the year (31 December 2020)
- A four-month extension for the payment of real estate tax, when the owner (landlord) is an individual
- Acceleration of refunds of income tax and VAT, when the refund amounts do not exceed €30,000 per type of tax and per taxpayer
- Certain freelancer, self-employed or independent contractors will be eligible for compensation payment of €800 to address COVID-19 implications, and tax payments due in March 2020 by these persons will be extended for four months
- The planned reform of the “unified real estate ownership tax” (UREOT) regime will be postponed.
- A new EUR 500 million scheme in collaboration with the European Investment Fund (EIF) could address the financing gap faced by SMEs, which is expected to grow in the context of the coronavirus

Employment-related measures
(e.g. state compensation schemes, training...)

Companies whose operations have been suspended by virtue of a state order

- The support measures for the employees of companies in this category are as follows:
 - As of 18 March 2020 and for as long as the emergency measures are in force, dismissals are forbidden whereas any dismissals in violation of the restriction in question are invalid.
 - Employees are entitled to collect a special purpose indemnity to the amount of EUR 800 burdening the State Budget.
 - The special purpose indemnity cannot be seized or set off against any debts and is tax free.
 - Full social security coverage of the employees by the State on the basis of their contractual salary.
- Certain categories of employees are exempted from the above special support mechanism (for instance, employees working from home or employees whose employment agreement is not suspended because of the restriction of the companies' operation).
- Further, specific obligations are imposed on the employer in order for their employees to collect the special purpose indemnity (filing of a Statutory Declaration with the Information System ERGANI for the eligible employees and notification of the above filing and its filing number – in writing or by electronic means – on the same day to the employee)

Affected Companies on the basis of Professional Activity Code (KΑΔ)

- Within one month from the publication of the Legislative Decree dated 20 March 2020 which can be extended by virtue of a Ministerial Decision, companies falling in this category can suspend their employees' employment agreements (all employees or part thereof).
- Companies that benefit from the above possibility:
 - Cannot proceed with dismissals during the period of suspension and any such dismissals in violation of the related restriction are invalid.
 - Following the expiry of the suspension period, are obliged to maintain the same number of employees for a period of time equal to the suspension period.



Employment-related measures (continued) <i>(e.g. state compensation schemes, training...)</i>	Other measures and sources
<p>Other employment relations' regulations</p> <ul style="list-style-type: none"> – Employers whose activity is significantly affected or whose activity has been restricted can transfer personnel between companies of the same Group, on the basis of a mutual agreement and on the condition that the total number of employees employed before the transfer is not reduced. The details for the application of the provision in question are anticipated to be set out in Ministerial Decisions. – For a period of up to six months commencing on 20 March 2020, employers can appoint a “safe operation” personnel as follows: <ul style="list-style-type: none"> • Each employee can be occupied at least 2 weeks on a monthly basis (continuously or intermittently) and • The above organization of work is made on a weekly basis and covers at least 50% of the company’s personnel. – Employers that wish to benefit from the above possibility must not reduce the number of employees working for the company at the time the above system has been implemented and proceed with the required notifications with the Information System ERGANI. The details for the application of the provision in question are anticipated to be set out in a Ministerial Decision. – The granting of the special purpose leave provided for in the Legislative Decree dated 11 March 2020 to parents employees of certain companies (companies engaged in the sectors of energy and water supply burdened with the continuous supply of the country with electricity, gas, liquid fuel and water, companies engaged in the production, transport and supply of goods, fuel, medicines and paramedical supplies to shops/companies selling the goods in question) is conditional upon a justified opinion of the companies' management on the basis of the applicants' position and duties. – Employers who have exhausted the applicable limits of overtime occupation can continue to occupy their employees' overtime without the approval of the Minister of Employer on the basis of an opinion of the Supreme Work Council under conditions. – Certain companies can extraordinarily and temporarily supersede the restriction of Sunday and public holidays work under conditions. – Both possibilities above are valid for a period of up to six (6) months from the entry in force of the Legislative Decree dated 14 March 2020. – Maximum work reduction covered up to 6 months (until 20 September 2020) and up to 2 weeks reduction of working hours on a monthly basis. – Short-time work arrangements due to reduction of business activities and due to CoVid-19 can be imposed unilaterally (without the employees' consent). – Provision of special purpose leave to employees parents of children up to the age of 15. – Overtime exceeding 120 hours per year does not require prior approval, provided that it does not exceed the daily legal working hour restrictions. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Greece: Tax measures in decrees, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-greece-tax-measures-in-decrees-response-to-coronavirus.html – Greece: Tax payment extensions part of tax relief measures (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-greece-tax-payment-extensions-tax-relief-measures.html

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As of 03 April 2020

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>
<p>Deferral of Commercial TRP</p> <p>Providing a means for applying for the deferment of Tax on Real Property (TRP) until July 2020.</p> <p>The decision has been taken for the time being to exclude professional services and regulated finance businesses.</p>	<p>Deferral of payment of Social Security contributions</p> <ul style="list-style-type: none"> – Social Insurance Employer contributions are due in mid-April. The government are taking this into consideration and deferring payments for both Quarter 1, and Quarter 2 (due mid-July), with the intention to review this easement again during Quarter <p>Coronavirus Payroll Co-Funding Scheme</p> <ul style="list-style-type: none"> – The government will pay employees an amount equivalent to Guernsey’s minimum wage. This is currently set at £8.50 per hour (£8.05 for 16- and 17-year olds). For a 35-hour week this figure would equate to a gross figure of £298. The States of Guernsey will meet 80% of this figure (i.e. £238 per week based on a 35 hour week). Employers must make up the remaining 20% (equivalent to £60 per week). Employers are encouraged to ‘top-up’ these amounts further if they are able to do so. – The Coronavirus Payroll Co-funding Scheme will be available to all employers (regardless of number of employees) in the sectors affected by loss of business income due to Coronavirus. Initially, these are expected to be the following sectors: <ul style="list-style-type: none"> • hospitality and tourism; • passenger transport and travel; • rental and leasing of cars and recreational goods; • recreation and entertainment; • event management and event services; • personal service activities such as hairdressers, beauticians and animal boarding; • commercial fishing; • private extra-curricular education such as dance and riding schools; • non-food and non-pharmacy retail; • advertising and marketing; • construction; and • manufacturing – To be eligible for support, the business must have been trading for at least 6 months (that is since 1st September 2019). – The support is available for an initial period of up to three months (13 weeks). This will cover the period to late June. <p>Small Businesses and Self-employed Grant</p>



Employment-related measures (continued) <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>
<p>Small Businesses and Self-employed Grant</p> <p>Aimed at smaller businesses and those who are self-employed as a means to help their business and be utilized in whichever way you deem appropriate. Although similar to the Payroll Co-Funding scheme it is intended to last 3 months. The details of the support are:</p> <ul style="list-style-type: none"> – The amount payable will be a flat sum of £3,000. – The grant will be available to self-employed persons (single operators) and to self-employed persons that employ up to 10 persons (including themselves). If the business employs staff, you are also able to claim support under the Coronavirus Payroll Co-funding Scheme (see above). – To be eligible for support, your business must have been trading for at least 6 months (that is since 1st September 2019). 	<p>Deferral of rent payments to the States of Guernsey by business tenants</p> <ul style="list-style-type: none"> – Businesses operated within a States of Guernsey land, or property then the Government will be considering deferring rents due for Quarter 1, and Quarter 2 of 2020. This easement covers business rents only and not residential property. <p>Economic substance</p> <ul style="list-style-type: none"> – The coronavirus crisis will undoubtedly impact the ability of certain companies to meet the economic substance test in Guernsey. The States of Guernsey have indicated they will take a pragmatic approach in this regard. All companies must ensure that maintain clear documentation with regards to how they have been impacted. – Loan Guarantee Scheme – Businesses that wish to utilize the scheme should talk to their banks directly. The scheme is operated by the clearing banks - Barclays, HSBC, Lloyds and RBSI/NatWest, however the Scheme will be open for other banks to join should they wish to. – The scheme is also being established in partnership with the governments of Jersey and the Isle of Man. – The Scheme requires the provision of underwriting guarantees to the participating banks of up to 80% of lending, up to a maximum of £40million. – The support will be focused on Bailiwick businesses. The scheme will not provide underwriting support for any lending currently in place, so there would be no transferring of existing risk to the States under the Scheme. – The Scheme only applies to trading businesses. Businesses regulated by the Guernsey Financial Services Commission and property investment and development businesses are excluded. This is subject to a maximum turnover of £10 million. – The Scheme only applies in respect of new lending and not any existing debt issued by the banks, including the cancellation of one form of lending and its replacement with another. – The States Guarantee will apply in respect of 80% of the total amount provided by the banks. – The loans and overdrafts will be for between £5,000 and £500,000. – The Scheme will remain open until the 31st December 2020 – The government guarantee will remain valid for a total of 8 years, this is made up of a term of 6 years, with an additional 18 months to allow the banks to effect recovery and a further 6 months for the bank to effect a claim against the States' Guarantee if necessary. – An individual's principle primary residence cannot be provided as security to a bank in respect of the Scheme. – The banks may lend up to £250,000 without seeking any form of security from the borrower. – The banks have a reporting requirement to government in respect of the number of loans issued and the amount and in respect of applications received but declined.

Other measures and sources

Hardship Fund (£5m)

- To be administered via Social Security to support those in greatest need who may not otherwise qualify for Income Support or Sickness Benefit. This will help the tourism, hospitality and construction sectors for example by enabling workers who have been laid off to secure short-term financial support so that they do not leave the future labor market.

Moorings fees for Commercial Fishermen

- To assist, the government have taken the decision to suspend fees for commercial fishermen who moor their vessels in St Peter Port and St Sampson harbors
- Guernsey Financial Services Commission providing extensions for key financial returns
- Returns to the Commission which would ordinarily require auditing (e.g. because they relate to a year end result) may be submitted in an unaudited form without a special concession being sought from the Commission.
- Those financial returns for insurers, insurance intermediaries and managers, investment firms, funds and fiduciaries which would require submission by the end of April 2020, may be submitted at any point before the end of May 2020 in unaudited form.

Guernsey Financial Services Commission has postponed routine supervisory visits to firms

- The Commission has reviewed its work plans for 2020 and will be cutting or delaying considerable amounts of industry-facing activity that does not directly relate to financial stability or consumer welfare. Consequently, all routine supervisory visits to firms will be postponed with effect from 21 March unless the Commission becomes aware of serious issues that require close scrutiny .

Main sources of information

States of Guernsey : <https://www.gov.gg/>

Guernsey Financial Commission services : <https://www.gfsc.gg/>

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As of 03 April 2020

General Information

The government on 18 March 2020 introduced amendments to social security and certain tax payment rules in response to the coronavirus (COVID-19) pandemic, along with a few other measures related to employment and loan regulations.

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Social security</p> <ul style="list-style-type: none"> – Modified social security rules shall be applied for the period of March-June 2020 to the following sectors: <ul style="list-style-type: none"> • Hospitality and tourism; • Entertainment, film industry, performing arts; • Sports services; • Event organization; • Gambling. – The rules for social security contributions in the above sectors have been amended as follows: <ul style="list-style-type: none"> • Employers will not be liable to pay their part of social security contributions (17.5%+1.5%) with respect to employment income provided by them in the March-June 2020 period. • Employees will only be liable to pay 4% healthcare social security contribution on the employment income received in the March-June 2020 period, instead of the aggregated 18.5% social security contribution. Nevertheless, the upper limit of the above healthcare social security contribution will be HUF 7,710/month. It should be noted that personal income tax will be still payable. <p>Simplified lump-sum taxation amendments</p> <ul style="list-style-type: none"> – Special rules will be applicable for entrepreneurs dealing with passenger transport who opted for simplified lump-sum taxation (known as 'KATA' in Hungarian). Based on the amendments such entrepreneurs are not obliged to pay lump-sum tax in the March-June 2020 period. 	<ul style="list-style-type: none"> – Employment regulations will be made more flexible to facilitate agreements between employees and employers in the current situation. – The employer may change working time schedules also within 96 hours before the actual start of the work; – Home office and telework may be ordered unilaterally; – Measures made by implemented to check the fit for work status of the employee; – The parties may deviate from the Labor Code with their agreement. The details of this measure have not been published yet, but the general labor principles shall be complied with even if parties mutually agree on the deviation from the labor code. 	<ul style="list-style-type: none"> – Loan repayments are suspended until the end of 2020 for all private individuals and businesses who took loans out before 18 March. – Short-term business loans are prolonged until 30 July. – The annual percentage rate (APR) of new consumer loans has been maximized at the central bank prime rate plus 5 per cent. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Hungary: Social security relief for employers, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-hungary-social-security-relief-employers-response-coronavirus.html – Hungarian Government: https://www.kormany.hu/en/the-prime-minister/news/we-are-suspending-principal-and-interest-payment-liabilities-on-loans



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As of 03 April 2020

General Information

The Icelandic government will be announcing further action in the coming days in order to respond to the many challenges presented by the COVID-19 outbreak. The government approved a 7-point plan on 10 March on actions against the COVID-19 outbreak effects. The Central Bank lowered the policy rate by 50 basis points to 2.25%, the sixth reduction within 10 months. Further action to be announced.

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)	Other measures and sources
<p>Considering recent events, the Icelandic government is working on getting the necessary legislative amendments passed by the Icelandic Parliament.</p> <p>The Icelandic Parliament passed legislation on 13 March 2020 that provides for the postponement of tax payments.</p> <ul style="list-style-type: none"> – Payment deadline for part of the social security tax is postponed to 15 April 2020. Legal entities are permitted to postpone the payment of half of the social security tax, that was originally due on 16 March 2020 to 15 April 2020. – Payment deadline for part of the public levies on source is postponed to 15 April 2020. Legal entities are permitted to postpone the payment of half of the public levies on source, that was originally due on 16 March 2020 to 15 April 2020. – There will be no penalty or surcharge on account of the late payments. The penalty or surcharge will not be imposed with regard to partial payments, provided that full payment is made by 15 April 2020. <p>The Icelandic government indicated there will be further action in the coming days in order to respond to the many challenges presented by the COVID-19 outbreak.</p>	<p>Act on temporary payments to individuals due to loss of income from being quarantined without signs of being infected</p> <ul style="list-style-type: none"> – Employees who are quarantined will get paid a salary. In such cases where an employee is quarantined but does not have the right to a salary from their employer during the quarantine, the government shall pay the employee his salary. – The goal of the new Act is to allow individuals to follow the commands of the public health authorities without worrying about loss of income. – The bill only applies to the private employment market. As the bill only applies to employers, employees and independently employed individuals on the private employment market, it is estimated that it will apply to approximately 140,000 individuals, or a total of 75% of the total employment market. – The aid is conditional. The bill states that certain conditions must be met, for instance the employer of the quarantined employee must be able to prove that he has paid the employee's salary during the active period (1 February 2020 – 30 April 2020). – There is a salary cap. The bill states that a cap will be put on government payments, the payments may not exceed 633.000 krona per employee, per calendar month. <p>Increased right to unemployment benefits for part-time employees</p> <ul style="list-style-type: none"> – The Minister of Social Affairs and Children has submitted another bill to Parliament regarding changes to the Act on Unemployment Insurance and the Act on Wage Guarantee Fund. The bill's objective is to assist companies in maintaining their employees until the economic difficulties associated with COVID-19 dissolve. The proposed amendments of the bill are thus temporary. – Companies experiencing temporary operating difficulties are encouraged to exercise the option to temporarily downgrade full-time employees to part-time employees rather than terminating the contract of employment. It is of great value to society that as many people as possible maintain their employment. – Should the bill be enacted into law it will carry the following changes: <ul style="list-style-type: none"> • Individuals who are downgraded to part-time employment could have certain rights to unemployment benefits. These benefits would amount to the proportional loss of income of the employee after he was downgraded to part-time. The conditions of these benefits are that the employee's employment rate must have been reduced by at least 20% and that the employee maintains at least a 50% employment rate. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Iceland – Tax relief in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-iceland-tax-relief-response-coronavirus.html – Government of Iceland: https://www.government.is/news/article/2020/03/21/icelandic-Government-announces-1.6bn-USD-response-package-to-the-COVID-19-crisis/



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As of 03 April 2020

General Information

Irish Revenue announced certain tax relief measures designed to help support small and medium businesses (SMEs) experiencing cash-flow and trading difficulties as a result of the coronavirus (COVID-19) pandemic.
The Irish government on 24 March 2020 announced measures to provide financial support to Irish workers and companies affected by the coronavirus (COVID-19) crisis.

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Other measures and sources
<p>The relief concerns value added tax (VAT) and “pay as you earn” (PAYE) obligations, such as:</p> <ul style="list-style-type: none"> – Interest on late payments of January and February VAT and both February and March PAYE liabilities are to be suspended. – All tax enforcement activity will be suspended until further notice. – Irish Revenue also announced that the planned “relevant contracts tax” (RCT) scheduled for March 2020 is suspended. RCT is a withholding tax that applies to certain payments by principal contractors to subcontractors in the construction, forestry, and meat-processing industries, at rates of tax of 0%, 20%, and 35%. <p>Irish Revenue announced that critical pharmaceutical products and medicines will be given “green routing” status for customs purposes in order to provide for an uninterrupted importation and supply process.</p> <p>Filing/Payment Deadline Extension</p> <ul style="list-style-type: none"> – Tax returns must be sent on time regardless of businesses experiencing temporary cash flow difficulties. – The current tax clearance status will remain in place for all businesses over the coming months. 	<p>The measures include a temporary COVID-19 wage subsidy scheme that provides, for 12 weeks, a program focused on assisting employers with employees who were laid off without pay. The key features of the scheme include:</p> <ul style="list-style-type: none"> – Initially, and from Thursday 26 March 2020, the subsidy scheme will refund employers up to a maximum of €410 per each qualifying employee. However, employers should pay no more than the normal take home pay of the employee. – From April 2020, the scheme will move to a subsidy payment based on 70% of the weekly average take home pay for each employee up to a maximum payment of €410. Revenue is to issue further detailed guidance on the calculation of the subsidy amount for different employee earning levels. – Employee Pay Related Social Insurance (PRSI) will not apply to the subsidy amount and employer PRSI will apply at a rate of 0.5%. <p>Other income support measures for employees and self-employed persons.</p> <ul style="list-style-type: none"> – In addition to the “Temporary Covid-19 Wage Subsidy Scheme” the government announced some further enhanced income support measures, including: <ul style="list-style-type: none"> • Where employees who have been laid off, they can avail of an enhanced emergency COVID-19 Pandemic Unemployment payment by making an application directly to the Department of Employment Affairs and Social Protection (DEASP). This payment has been increased from €203 to €350 per week. Those claiming under the existing scheme will receive the increased €350 amount. • Self-Employed individuals will be eligible for the COVID-19 Pandemic Unemployment Payment of €350 directly from DEASP rather than receiving payments from Revenue. • The COVID-19 illness payment available to workers who have who have either been told to self-isolate or have been diagnosed with COVID-19 of €203 has also been increased to €350 per week. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Irish government: https://www.gov.ie/en/news/72ecf5-government-agrees-next-phase-of-irelands-covid-19-response/ – Department of Business, Enterprise and innovation: https://dbei.gov.ie/en/What-We-Do/Supports-for-SMEs/COVID-19-supports/Government-supports-to-COVID-19-impacted-businesses.html



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As of 03 April 2020

<p>General Information</p>	<p>The Isle of Man Government has set out a package of measures, subject to Tynwald approval, to support local businesses throughout the unprecedented disruption caused by COVID-19. Two core packages to support businesses and protect workers: COVID-19 Wage Support Scheme to help business retain staff COVID-19 Earnings Replacement Allowance for people out of work</p>		
<p>Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i></p>	<p>Employment-related measures <i>(e.g. state compensation schemes, training...)</i></p>	<p>Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i></p>	<p>Other measures and sources</p>
<ul style="list-style-type: none"> – The Isle of Man Government is allowing businesses to defer the making of VAT payments to help support businesses with their cash flows. – VAT payments due to the Treasury between now and the end of June 2020 will be deferred. No business will have to make a VAT payment to the Isle of Man Treasury, Customs & Excise Division (IOMC&E) in that period. 	<ul style="list-style-type: none"> – Extension of the existing £3,000 grant to include small retail businesses and the self-employed in certain eligible sectors – Streamlining Processes - Work permit suspension for existing on-island workers – To help viable businesses that have been affected retain their staff, a wage support package will shortly be available that will, for 12 weeks, provide businesses with a flat rate contribution of £280 per week for every full time equivalent staff member (pro-rated for part time employees). 	<ul style="list-style-type: none"> – Coronavirus Business Interruption Loan Guarantee Scheme working with banks – Strategic Investment Fund to improve cash flow – Strategic Capacity Scheme for tourist accommodation providers – Accelerated Capital Projects to drive increased construction capacity as and when appropriate – An Adaptation Grant for existing businesses looking to evolve in current climate with matched funding available – Non-Government deferral – A range of support mechanisms to encourage relief to households and remove any eviction threat for individuals and businesses affected. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Isle of Man Government – Coronavirus: https://covid19.gov.im/



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As of 03 April 2020

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

- For a period of 9 months after the law (Decreto) came into force, the State provides a guarantee free of charge, through the Central Guarantee Fund for SMEs, of up to 5 million euros for a single enterprise, aimed at financing operations.
- For the subjects – sports federations, sports clubs, operators who manage sports facilities, gyms, pools and fitness centers, hospitality tourism companies, travel and tourism agencies and tour operators, catering sectors, the organization of events, the rental of transport, passenger transport, cultural, museum, naturalistic activities, lottery receptions, etc. – (expressly listed in the Decree) is provided:
 - the suspension of the expiring terms until 30 April 2020 relating to withholding payments on employee and assimilated income;
 - the suspension of the deadline until 30 April 2020 relating to social security and welfare payments, premiums for compulsory insurance and related obligations;
 - the suspension of the expiring terms in March 2020 relating to VAT payments and Tax reductions as well as tax credits for businesses that declared a 25% drop in their revenues.
- Suspended payments will be made in a single solution as of 31 May 2020.
- For all subjects with fiscal domicile in Italy: Tax obligations (e.g. VAT declaration) other than payments and withholding taxes, expiring between 8 March 2020 and 31 May 2020, will be suspended. These requirements will be carried out by 30 June 2020.
- **Suspension of withholding tax for taxpayers with revenues / fees not exceeding € 400,000:** For subjects operating in Italy and who in the tax period preceding the one in progress of the Legislative Decree n. 18 have achieved revenues or fees not exceeding Euro 400,000, the revenues and fees received in the period between the date of entry into force of the decree and 31 March 2020 are not subject to withholding taxes.
- **Suspension for taxpayers who also carry out business activities with revenues or fees not exceeding € 2 million operating in Italy:** Suspension of the deadline, between 8 March and 31 March 2020, relating to withholding tax payments on employee and related income, payments of value added tax, payments of social security contributions, insurance premiums and all payment deadlines related to payment notices ('cartelle di pagamento') issued by collection agents and by the social security authorities, as well as tax assessment notices ('avvisi di accertamento') issued by the tax authorities.
- **Provisions concerning corporate liquidity - assignment of credits:** In the event of the sale by a company, for consideration, by 31 December 2020, of financial receivables due from debtors, transformation into tax credit of the deferred tax assets related to: tax losses not yet calculated as a decrease of taxable income.
- **Central Guarantee Fund (Fondo Centrale di Garanzia):** For a period of 9 months from the entry into force of Legislative Decree n. 18, the Central Guarantee Fund will intervene with up to € 5 million per individual company, for financing operations and restructuring of debt.
- **Transport provisions:** The terms of payment of the fees relating to the maritime transport of goods are suspended for the period between 16 March and 31 July 2020; the terms of periodic and deferred payment of customs duties are postponed for a further 30 days.



Employment-related measures

(e.g. state compensation schemes, training...)

- The Government has expanded the reasons for access to the “Cassa Integrazione Ordinaria” (support of salary payment by the State), providing employers with the possibility to suspend or reduce work activity for events related to Covid-19, to apply for the support check “integrazione salariale” with a COVID-19 emergency reason, for a maximum period of nine weeks from 23 February 2020 and in any case by August 2020.
- The procedure for opening the integration fund (information phase and trade union consultation, as well as joint examination if requested) remains confirmed. The application may be submitted by the end of the 4th month following the period in which the period of suspension or reduction of work has begun and is not subject to the verification of the cause.
- The Government has scheduled for the year 2020 from 5 March, a specific leave for parents with children under the age of 12 (a master limit that does not apply with reference to children with disabilities in a situation of proven severity, including those in school of all order and grades or housed in day care centers). The beneficiaries are both private and public sector workers. The use of leave is recognized alternately with both parents, for a continuous or fractional period of no more than 15 days, and is subject to the condition that there is no other parent in the household who is the beneficiary of parental means of income support in the event of suspension or termination of employment or other unemployed or non-worker parent.
- The Government has ordered the award of an allowance for March of EUR 600 (which does not contribute to income formation) to the following subjects: “Partite IVA” (autonomous workers) and seasonal workers (tourism, agriculture).
- A redundancy fund boosted by 5Mds€ to provide 9 weeks’ salary for workers not covered by other social safety nets. Administrative processes are simplified, and mortgage payments are temporarily suspended for first-time homebuyers, including self-employed who have lost more than one-third of their turnover during the last quarter.
- A fund for last resort income support (appropriation of 300m€ for 2020) is established for employees and self-employed workers who ceased, reduced or suspended their employment relationship or business due to the pandemic.

Covid-19 short time implementation process

- Notification to be filed with Works Council (if any) or National Trade Unions
- Notification must contain the following main information: reasons; duration and number of plants and employees involved
- Joint examination between Works Council (if any) or National Trade Unions and Company (also in video-conference) by maximum 3 days from the Notification
- Formal application to be filed with competent Social Security Authority
- Formal application must contain the following main information: reasons, duration, number of suspended working hours, number of plants and employees involved, copy of notification and minute of the joint examination
- Covid-19 process lasts about 7 days
- For the period of health emergency Italian authorities
- suggests the use of holidays and encourages the use of smart working, allowing employers to use it even without a written agreement with employees
- Provides the possibility for employees with children aged up to 12 years (or without any age limit for children with certified disabilities) to benefit from up to 15 days parental leave, covered by social security benefit equal to 50% of the remuneration
- As an alternative to parental leave employees may benefit from a childcare allowance, amounting to € 600 (€1,000 for doctors, nurses, personnel working in health and biomedical sector, etc.)



Economic stimulus measures
(e.g. loans, moratorium on debt repayments...)

Economics support

- The Italian government announced that it would inject 25Mds€ into the economy to fight the coronavirus epidemic, to help sectors such as tourism and the logistics and transportation industry, which have been severely affected by the virus. This stimulus adds to previously announced support to regions, for a total of 900m€.

Moratorium on the payment of corporate debt has been introduced

- Supported by the government, the Italian Banking Association has announced an agreement with various professional associations to set up a large-scale moratorium on debt repayment, including mortgages and repayments of small loans and revolving lines of credit. It will concern loans taken out by companies until 31 January 2020.

Liquidity shortages and facilitate access to financing

- The National Institute for Promotion and the development finance institution have increased the funding limit for the banking system, from 1Mds€ to 3Mds€. The funds are intended to provide subsidized loans to SMEs and mid-caps to support cash flow and investments.
- Micro-enterprises and SMEs of all types, including freelancers and sole proprietorships, can benefit from a moratorium on a total volume of loans estimated at around 220Mds€. Credit lines, loans for advances on securities, short-term loan maturities and instalments of loans due are frozen until 30 September.

To support export activity

- The Italian export credit agency (SACE) announced a package of 4Mds€ to help SMEs meet cash flow needs and diversify markets' export. In addition, the Italian Agency for the Promotion of Business Internationalization (ICE) has cancelled the costs already incurred by companies for participation in fairs and events, also offering alternative visibility solutions.

To support the production and supply of medical devices and personal protective equipment

- In compliance with the Decree no. 18/2020 the Extraordinary Commissioner appointed for implementing the anti-Covid-19 adopted measures has introduced financing facilities for a maximum percentage of 75% of the admitted costs for investment plans aimed to increase the supply of medical devices and personal protective equipment (within the maximum limit of support provided by the Italian government amounting to Euro 800.000).

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Other measures and sources

All industrial and commercial activities suspended, response to coronavirus (COVID-19)

- The Italian government on 22 March 2020 published a decree that essentially suspends all industrial and commercial activities, with certain exceptions for “essential activities.”
- The suspension directive applies to the whole of Italy and is effective from 23 March until 3 April 2020.
- Businesses subject to the directive have until 25 March 2020 to prepare to suspend their activities.

Enhanced transparency in “listed companies” and disclosure requirements (COVID-19)

- The Italian exchange commission (CONSOB) issued Resolution no. 21304 (17 March 2020) to lower the reporting threshold for substantial interests in listed companies.
- The resolution lowers the threshold for the reporting of substantial interest to 1% (down from 3%) for companies with “high market capitalization” and a large number of shareholders, and to 3% (down from 5%) for small and medium size entities (SMEs). CONSOB has not considered it necessary to extend the resolution to all Italian companies listed on the electronic share market (Mercato Telematico Azionario di Borsa Italiana S.p.A.); rather, the resolution only affects 48 companies, 10 of which are SMEs.
- The resolution is a relief measure relating to the coronavirus (COVID-19) pandemic and its implications for the Italian financial market. The intention is to determine that corporate governance operates efficiently and transparently.

Main sources of information

- Italy: Tax relief and incentives in response to coronavirus (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-italy-tax-relief-and-incentives-in-response-to-coronavirus.html>
- Italy: Suspension of tax audits, response to coronavirus (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-italy-suspension-of-tax-audits-response-to-coronavirus.html>
- Italy: All industrial and commercial activities suspended, response to coronavirus (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-italy-industrial-commercial-activities-suspended-coronavirus.html>
- Solidarietà digitale: <https://solidarietadigitale.agid.gov.it/#/>

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As of 03 April 2020

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>
<p>Deferral of payment of Social Security contributions</p> <ul style="list-style-type: none"> – "Businesses with fewer than 80 employees and self-employed individuals are automatically eligible to defer their Social Security contribution payments for the first two quarters of 2020 . These payments, ordinarily due in April and July, have been deferred. – Businesses with more than 80 employees may seek to claim the deferment by emailing Social Security sscontributions@gov.je." <p>Deferral of payment of Goods and Service Tax</p> <ul style="list-style-type: none"> – Goods and Services Tax ("GST")-registered businesses have been offered the option to defer their GST payments due in relation to any GST returns for periods ending 31 March, 30 April, 31 May and 30 June (this includes both monthly and quarterly GST returns ending on these dates). Currently payments may be deferred by up to 12 months after the original payment deadline. 	<p>Coronavirus Payroll Co-Funding Scheme Phase I</p> <ul style="list-style-type: none"> – "Phase 1 of the co-funding scheme is available from 20 March to 31 March 2020. Government will retrospectively pay employers (and self-employed workers) a subsidy of up to £200 per week towards each employee's wage for business in the following sectors: <ul style="list-style-type: none"> – hotels, restaurants, bars, wholesale, retail (excluding food), fisheries, hairdressing and other beauty treatment – For pay periods including 20 March to 31 March 2020, these businesses can claim: <ul style="list-style-type: none"> • £200 per week per worker who has been paid either:- at least £320 per week, • or- at least £1,390 per calendar month – For lower paid workers, these businesses can claim 60% of either: <ul style="list-style-type: none"> • (- 35%) of each worker's usual monthly wage, • or (- 35%) of 4 x each worker's usual weekly wage – This scheme will come into effect for those in employment as at Friday 20th March 2020, with the first payment due at the beginning of April." <p>Coronavirus Payroll Co-Funding Scheme Phase II</p> <ul style="list-style-type: none"> – "Available from 1 April to 30 June 2020. During this time, the scheme will be kept under review and may be extended if needed. Available to: <ul style="list-style-type: none"> • Businesses which do not operate in certain industries • Self-employed workers who pay class 2 social security contributions. This includes sole traders and partnerships • Business which have, or are highly likely to, experience significant detriment due to restrictions put in place to manage the spread of coronavirus – Qualifying businesses will be able to claim subsidies towards wages or salaries of qualifying workers that: <ul style="list-style-type: none"> – were working for the business in February 2020, and- were included in the social security contribution schedule for February 2020, and have been retained in employment – The maximum subsidy available is 80% of the lower of each qualifying worker's: normal rate, or - £2,000 a month – This means a maximum cash payment of £1,600 is available per qualifying worker per month. – Workers earning more than £10,000 a month do not qualify for the scheme. – Payments under this phase 2 scheme will be made following the submission of the wage information to Customer and Local Services. The first payment will therefore be available following submission of wage information for the month of April 2020."



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Jersey Covid-19 Special Situations Fund</p> <ul style="list-style-type: none"> – "This £50 million scheme is open for applications from qualifying businesses which deliver a public good or serve an essential strategic purpose for Jersey. – Applications will be considered by a panel of senior Government officials and independent specialists based on criteria to be published in April 2020, including: <ul style="list-style-type: none"> • Demonstration that the business provides an important public good, or is strategically important to Jersey • Demonstration that the measures introduced to manage the spread of coronavirus have been detrimental the business • A viable and time bound recovery plan for the business and exit strategy for Government – Support may be provided under the scheme in the form of grants, loans or equity positions." <p>Rent deferrals or renegotiations;</p> <p>Where the Government, or a Government-owned company, is a landlord to a local business</p> <ul style="list-style-type: none"> – The Government will be sympathetic to its business tenants who are suffering financial difficulty as a result of the COVID-19 pandemic. Each request for rent deferral will be treated on a case by case basis. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Covid-19 Jersey tax measures: https://home.kpmg/qm/en/home/services/tax/kpmg-channel-islands-tax-alerts/covid-19-tax-measures.html – Government support for businesses: https://www.gov.je/Health/Coronavirus/BusinessAndEmployment/Pages/GovernmentSupportForBusinesses.aspx



Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Other measures and sources
<p>The tax authorities in Kosovo have introduced measures to mitigate the impact of the COVID-19 pandemic. These measures include:</p> <ul style="list-style-type: none">– An extension of the deadline for the submission of corporate and individual income tax returns and payment of tax liabilities until 30 April 2020.– A suspension of the requirement to submit consolidated financial statements, management reports, consolidated management reports, audit reports on the financial statements of legal entities until 30 June 2020.– In addition, any tax refund review and approval procedure is suspended until 30 April 2020.	<p>Main sources of information</p> <ul style="list-style-type: none">– Kosovo: Tax relief includes postponed deadlines (COVID-19) : https://home.kpmg/us/en/home/insights/2020/03/tnf-kosovo-tax-relief-postponed-deadlines.html



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As of 03 April 2020

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>The government has announced the following measures:</p> <ul style="list-style-type: none"> – a postponement of tax overdue for up to three years if the overdue are an effect of the outbreak; – simplification and speeding-up of tax refunds for entrepreneurs and foregoing personal income tax advances in 2020. <p>In general, through 30 June 2020, tax relief allows for:</p> <ul style="list-style-type: none"> – postponement of current and overdue tax payments, for up to three years, or the ability to make instalment payments when the delay is related to COVID-19 without triggering late-payment penalties; a request must be submitted to the tax authority; – a quicker process for refunds of input value added tax (VAT); beginning 1 April 2020, the tax authority will refund the approved input VAT within 30 days after the due date of submitting the VAT return (and not until end of the tax year), and the faster refund of input VAT will also apply for January and February 2020; – cancellation of advance payments of individual (personal) income tax for self-employed individuals, and no late-payment fees for failure to remit the advance payments; – postponement of real estate tax payments to be allowed by municipalities; – submissions of financial statements (annual report and consolidated annual report) may be made later than the legal deadline (three or four months, respectively). 	<p>The government has announced the following measure:</p> <ul style="list-style-type: none"> – coverage of 75% of the costs of outbreak-induced sick leaves or workers' downtime, or up to EUR 700 per month. – Support for "employee downtime" whereby the government will make monthly payments of 75% of their salaries, capped at €700 (not subject to payroll taxes), from 14 March to 14 May 2020 if the employer is not able to secure work for the employee because of COVID-19 	<ul style="list-style-type: none"> – A Latvian bank launched an initiative to support SMEs and Fintech in Baltic states. – ALTUM, the national development finance institution, will provide loan guarantees and loans for crisis solutions to businesses affected by the Covid-19 crisis. Interest rates on loans for tourism sector businesses will be cut by 50% for small and medium enterprises and by 15% for large enterprises in tourism and related sectors. 	<p>Regulations issued 24 March 2020 defined which industries were "most affected" by COVID-19 and include public catering, international passenger transportation, car lease, hospitality and tourism, public and cultural events, education, and fitness services.</p> <p>These tax relief measures were extended on 26 March 2020 to all companies—regardless of their industry sector, provided the companies meet certain criteria:</p> <ul style="list-style-type: none"> – Turnover in March or April 2020 compared to the respective month in 2019 decreased by 30% or more – Turnover in March or April 2020 compared to the respective month in 2019 decreased by 20%, if one of the three following requirements is met: <ul style="list-style-type: none"> • The company's revenues from export amounted to at least 10% of total turnover in 2019, but not less than €500,000 • Average salary paid in 2019 was at least €800 • Long-term investments in fixed assets as at 31 December 2019 was at least €500,000 <p>Main sources of information</p> <ul style="list-style-type: none"> – Latvia: Tax relief included in government's response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-latvia-tax-relief-response-coronavirus.html – Latvia: Expanded tax relief for companies (COVID-19) : https://home.kpmg/us/en/home/insights/2020/03/tnf-latvia-expanded-tax-relief-companies.html



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As of 03 April 2020

New country

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Other measures and sources
<p>On 25 March 2020, the Tax Authority of Liechtenstein issued Newsletter 2/2020 announcing an extension of FATCA and CRS reporting deadlines to 31 July 2020 for the 2019 reporting year due to the COVID-19 outbreak.</p> <p>Additionally, Liechtenstein Financial Institutions (FIs) are required to notify individuals and legal entities that are to be reported under the FATCA or CRS regimes about the transfer of information abroad. Liechtenstein passive NFEs are required to forward this information to the persons subject to reporting.</p> <p>The deadline for this transmission of information is 31 March of the year in which data is to be exchanged for the first time.</p>	<p>Main sources of information</p> <ul style="list-style-type: none"> – Liechtenstein: FATCA, CRS reporting deadline extended to 31 July 2020 (COVID-19) : https://home.kpmg/us/en/home/insights/2020/04/tmf-liechtenstein-fatca-crs-reporting-deadline-extended-to-31-july-2020-covid-19.html



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As of 03 April 2020

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>In relation to the outbreak of the COVID-19 virus, the Lithuanian Government and the Tax authorities will apply certain tax related measures to assist tax payers with their ongoing obligations.</p> <p>Corporate Income Tax (CIT):</p> <ul style="list-style-type: none"> – The deadline for submission of advance CIT returns and respective tax payment is deferred until 30 March 2020 (instead of 16 March 2020). – Possibility to change the advance CIT calculation method, e.g. based on the prognosis for the current year (considering the possible income decline) instead of previous years' results. <p>Tax Administration:</p> <ul style="list-style-type: none"> – Possibility to apply for tax instalment (loan) agreement to defer tax underpayments (without interest). It should also be available for employer's Personal Income Tax (PIT) obligations (the exact terms and conditions should be confirmed). <ul style="list-style-type: none"> • Suspended recovery of tax underpayments • Taxpayers to be relieved from penalties and late payment interest (the procedures still to be confirmed) 	<ul style="list-style-type: none"> – The government launched a EUR 5 billion support plan in the week of 16 March, which includes EUR 500 million for maintaining business liquidity and EUR 1 billion for speeding up investment. – The Economic and Financial Action Plan provides for accelerating investment programmes by accelerating payments and increasing the intensity of funding. It plans to reallocate EU investment funds to health, employment and business, accelerate the use of public budget funds for running costs, to use all funds from the Climate Change and Road Maintenance and Development Programs and to accelerate renovation of apartment buildings. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Lithuania: Extended tax return, tax payment deadlines in response to coronavirus: https://home.kpmg/us/en/home/insights/2020/03/tnf-lithuania-extended-tax-return-tax-payment-deadlines-in-response-to-coronavirus.html – Government of the Republic of Lithuania: https://lr.lt/en/news/eur-5-billion-for-public-health-and-the-national-economy



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As of 03 April 2020

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Direct taxes</p> <ul style="list-style-type: none"> Companies and self-employed individuals that realize income from a profession, or commercial or agricultural activities can request help if they are facing liquidity issues due to COVID-19. Eligible taxpayers can file a request for: (1) cancellation (annulation) of the first and second quarterly advance payments for both (corporate) income tax and municipal business tax for 2020; and (2) a four-month extension to the deadline for the payment of (corporate) income, municipal business and net wealth taxes due after 29 February 2020, without any penalty for late payment. The tax authorities will automatically approve all eligible requests. Furthermore, the authorities have extended the deadline to file both corporate and individual (personal) income tax returns to 30 June 2020. <p>VAT</p> <ul style="list-style-type: none"> We expect to see the government pass measures to support enterprises, artists and freelancers very quickly. Among the soon-to-be released measures, the Luxembourg VAT authorities may extend the deadlines for submission of VAT returns and payment extensions. VAT credits below EUR10,000 should be reimbursed as from this week. Until new measures have been passed, the Luxembourg VAT authorities' have asked companies to communicate with them electronically, in so far as is possible. 	<p>To help SMEs</p> <ul style="list-style-type: none"> The Luxembourg Ministry for the Economy has set-up a hotline and website with information for enterprises, which includes a FAQ on existing measures for companies, including SMEs (financial support and partial employment). The government emphasized that SMEs experience more challenges related to liquidity than large companies as a result of such events. The granting of aid through the bill is subject to three conditions: <ul style="list-style-type: none"> that an event has been recognized as having a harmful impact on the economic activity of certain undertakings during a given period; that the company is experiencing temporary financial difficulties, and; that there is a causal link between these difficulties and the event in question. 	<p>Main sources of information</p> <ul style="list-style-type: none"> Ministry of Economy: https://meco.gouvernement.lu/fr/dossiers/2020/coronavirus-entreprises.html Luxembourg: Tax relief in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-luxembourg-tax-relief-in-response-to-coronavirus.html



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As of 03 April 2020

Updated

General Information

On 16 March 2020, the Eurogroup, which comprises the nineteen EU Member States that have adopted the Euro as their official currency, held a discussion with non-Euro Member Areas.
 On 19 March 2020, the European Commission adopted a Temporary Framework to support the economy in the context of the COVID-19 outbreak.
 On 18 March 2020, the government announced a financial package to help the Maltese economy during the COVID-19 outbreak. The Prime Minister explained that this financial package is intended to protect the liquidity of businesses and also to protect the Maltese families during this challenging period.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Launch of a Financial Package by the Maltese Government

Deferral of payments of Income tax, Value Added Tax, Maternity Fund and National Insurance Contributions of up to €700 million. It appears that such tax deferrals have now been extended to all employers and self-employed irrespective of industry.

Terms and conditions for applying for such tax deferrals

- **Objective:** To improve business liquidity by easing pressures on their cash flow arising from the economic impact of the coronavirus pandemic and encourage the retention of employees
- **Eligible Taxes:** Provisional tax, employee taxes, maternity fund payments and social security contributions, social security contributions of self-employed persons and Value Added Tax
- **Period covered:** Eligible taxes which fall due in March and April 2020
- **Settlement period:** Eligible taxes (excluding VAT) to be settled in four equal monthly instalments in the four month period between May and August 2020; VAT dues to be settled in two equal instalments with the two quarterly returns immediately following the quarter whose dues would have been deferred
- **Benefit:** No interest or penalties to be charged in respect of eligible taxes that would have been deferred in terms of this scheme
- **Beneficiaries:** Companies and self-employed persons that suffer a significant downturn in their turnover as a result of the economic constraints arising from the coronavirus pandemic and, as a result, face substantial cash flow difficulties as identified in the online application form. Companies and self-employed persons not adversely hit are advised and encouraged not to avail themselves of this scheme. Ideally, eligible taxes should continue to be paid every month and on time because that would make for good business management.
- **Specifically excluded: Companies** and self-employed persons which have failed to comply with their tax obligations (submission of documents / returns and payments) falling due by 31 December 2019
- **Forfeiture of benefit:** The benefit granted under this scheme shall be forfeited if the beneficiary is found to be in breach of any of its terms and conditions making use of this scheme under false pretenses. In case of forfeiture, beneficiaries will have to settle their dues as demanded by the Commissioner for Revenue and such payments shall be subject to interest or penalties as stipulated by law.
- **Submissions:** The benefit granted under this scheme shall not remove the obligation of beneficiaries to submit documents and returns by the due date as required by law.
- **How to apply:** Submission of the online Tax Deferral Scheme application form by not later than the 15th April 2020

On 30 March 2020, the Inland Revenue of Malta issued a deadline extension for FATCA and CRS reporting to 30 June 2020 for the 2019 reporting year. The deadline has been extended due to the recent COVID-19 outbreak to provide ample time to Reporting Financial Institutions to ensure successful submission.



Employment-related measures

(e.g. state compensation schemes, training...)

Measures aimed towards Employment

- €350 grant will be awarded to employers for each employee required to be on mandatory quarantine leave.
- Government will cover the equivalent of two days' salary per week (based on a salary of €800 per month) in relation to employees of enterprises, including self-employed, which suffered from a complete suspension of operations (such as hospitality and entertainment and language schools). Self-employed persons in these sectors who employ people will get coverage for an additional day.
- Government will also cover the equivalent of one day's salary per week (based on a salary of €800 per month) in relation to employees of enterprises, including self-employed, which suffered at least 25% reduction in operations. Self-employed persons who suffer such a reduction and who employ people will get coverage for an additional day.
- Workers who lost or will lose their job with effect from 9 March 2020 will be entitled to a new temporary benefit of €800 per month.
- Similarly, persons with disabilities who have to stay at home due to health concerns that may arise as a consequence of Covid-19 and cannot telework will be entitled to a benefit of €800 per month for a specified period.

Additional Social Measures

- Additional leave for two months to be paid at the rate of €800 per month to families with children where both parents/guardians work in the private sector and neither is able to telework. This measure is intended to ensure that parents/guardians can take care of children while schools remain closed.
- Employees who will lose their job and have rent to pay will be entitled to a rent subsidy including those not previously entitled to such subsidy.
- Furthermore, government will increase the rent subsidy for those families where one dependent had his/her employment terminated.

Other measures aimed at Third Country Nationals

- Enterprises which will terminate the employment of an employee will be denied the possibility to offer such employment to a Third Country National.
- Work permit applications in relation to new Third Country Nationals will no longer be accepted except for highly skilled workers.
- Assistance will be provided to Third Country Nationals to find alternative employment in case of job termination.
- Jobsplus will be helping to find alternative employment to those who lose their jobs and to employers seeking recruits.



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>EU Commission adopts State aid Temporary Framework</p> <p>The Commission noted that the main fiscal response to the Coronavirus will come from Member States' national budgets and that the Commission will enable Member States to use the full flexibility foreseen under EU State aid rules to tackle the impact of the Coronavirus on EU economies.</p> <p>The Temporary Framework will enable Member States to:</p> <ul style="list-style-type: none"> – establish and provide schemes of direct grants (or tax advantages or advance payments) of up to €800,000 to a company to address urgent liquidity needs; – give state guarantees on bank loans; – enable loans to businesses at subsidized interest rates; and – enable short-term export credit insurance. <p>– In addition, the new Framework will also seek to support the banking sector, allowing banks to channel aid to final customers, in particular small and medium-sized enterprises (SMEs).</p> <p>Eurogroup statement on COVID-19</p> <p>The Eurogroup released a statement on the outcome of the discussions and highlighted the following proposed coordinated response measures:</p> <ul style="list-style-type: none"> – All national authorities will implement necessary measures to ensure that the economic consequences of COVID-19 are tackled, including by implementing temporary measures such as: <ul style="list-style-type: none"> • Immediate fiscal spending targeted at containment and treatment of the disease. • Liquidity support for firms facing severe disruption and liquidity shortages: this can include tax measures, public guarantees to help companies to borrow, export guarantees and the waiving of delay penalties in public procurement contracts. • Support for affected workers to avoid employment and income losses, including short-term work support, extension of sick pay and unemployment benefits and deferral of income tax payments. – The Eurogroup discussed the need to introduce measures to help economies recover once the Coronavirus has receded. In particular, the Eurogroup re-committed to continue work to further strengthen the architecture and resilience to shocks of the Economic and Monetary Union. <p>Measures aimed towards the Economy in general</p> <ul style="list-style-type: none"> – €150 million worth of bank guarantees to be provided. – €750 million to be made available to businesses in the form of soft loans. – 3-month moratorium can be requested from banks in relation to both personal and business loans. – An additional €35 million to be made available to health authorities to cover any expenses necessary to fight COVID-19. This amount may be increased if necessary. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Malta: Tax relief in response to coronavirus (COVID-19) pandemic: https://home.kpmg/us/en/home/insights/2020/03/tnf-malta-tax-relief-in-response-to-coronavirus-pandemic.html – Business assistance during the Coronavirus: https://home.kpmg/mt/en/home/insights/2020/03/business-assistance-during-the-coronavirus-outbreak.html



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As of 03 April 2020

Updated

General Information

Tax relief provided in Montenegro in response to the coronavirus (COVID-19) pandemic include measures for the deferral of payments of individual (personal) income tax and social security contributions.

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

Tax relief provided in Montenegro in response to the coronavirus (COVID-19) pandemic include measures for the deferral of payments of individual (personal) income tax and social security contributions.

In addition, the tax authorities have extended the deadline for filing financial statements and corporate income tax returns from March 31, 2020 to April 15, 2020. However, this relief does not extend the deadline for the payment of corporate income tax.

A decree (published in the official gazette) is effective 31 March 2020, and includes a 90-day postponement for businesses economically affected by the COVID-19 pandemic to pay their tax liabilities—that is, taxes that otherwise would need to be paid during March, April, and May 2020

- The decree does not apply with regard to governmental entities or municipalities.
- The tax liabilities for which relief is provided include: (1) individual income tax; (2) social security contributions; and (3) amounts owed under a payment plan for taxes due for prior tax periods.
- Taxpayers seeking to take advantage of the relief must file a request with the tax authority.

Separately, the tax authorities announced an extension of the deadline for filing of the annual individual income tax return (GPPFL Form) for 2019. The deadline (originally 30 April 2020) has been extended by 15 days, and the new filing deadline is 15 May 2020.

Other measures and sources

Main sources of information

- Montenegro: Tax relief includes delayed filing, payment dates (COVID-19) : <https://home.kpmg/us/en/home/insights/2020/03/tnf-montenegro-tax-relief-includes-delayed-filing-payment-dates-covid-19.html>

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As of 03 April 2020

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

- The Cabinet on 17 March 2020 announced additional measures to support Dutch employees, self-employed individuals, and the Dutch business community facing challenges from the coronavirus.
- The new measures reflect a deferral for paying taxes including energy tax and the levying of sustainable energy storage (ODE) for companies in the second, third and fourth tax bracket.
- Beginning 23 March 2020, the Cabinet will temporarily reduce the “collection interest” for all tax debts from 4% to 0.01%. Recovery interest is normally due if an assessment is not paid on time (from the time that the payment term has expired). The Cabinet also has reduced the tax rate for all taxes to which it applies, from 8% (corporate tax) and 4% (other taxes) to 0.01%.
- SMEs affected by the outbreak will be supported via the opening-up of the guarantee instrument for SMEs (BBMKB), which according to the government would directly provide EUR 300 million extra credit for SMEs.
- Tax interest is payable if an assessment cannot be determined in time, for example because the tax return is not submitted on time or for the correct amount. The decrease to 0.01% is also temporary in nature and will take effect from 1 June 2020, with the exception of income tax: an effective date of 1 July 2020 applies.
- The tax administration will reverse assessments of a default penalty for a failure to pay tax (on time).
- Concerning a reduction of the provisional assessment, requests for reduction in connection with the coronavirus will be granted by the tax authorities. If an entrepreneur has already (partially) paid the provisional assessment and the amount of the new provisional assessment is lower, the difference will be paid to the entrepreneur.

Deferral of tax payments for 3 months related to coronavirus (COVID-19)

- The Deputy Minister of Finance on 19 March 2020 informed the Lower House that every business that is facing financial difficulties as a result of the coronavirus (COVID-19) crisis will be eligible for a deferral of payment with regard to their tax debts (payments of tax). Taxpayers need to submit a written request for the deferral of tax payments to the Dutch Tax and Customs Administration. As soon as the business has filed the request, the Dutch tax authorities will hold off on collecting corporate income tax, payroll tax, value added tax (VAT), and individual (personal) income tax. The tax collection deferral will apply, in principle and automatically, for a period of three months.

Deferral of more than three months

- Additional information is required for requests of tax deferrals for periods of longer than three months (according to the website of the Dutch tax administration, the additional information may be a statement from an “expert” third party) in order to assess whether the financial difficulties are mainly caused by the coronavirus crisis. Businesses can use the first three months of tax deferral to provide this information.
- The government is currently considering what information will be necessary and how this can be provided as simply as possible. The aim is to limit the administrative burden for businesses as much as possible.

Business Income Tax

- If businesses expect to incur a loss for the 2020 financial year, whether or not due to the corona crisis, taxpayers may file a tax return immediately after the end of the financial year and request that this loss is provisionally set off against the profit for 2019 (as set by assessment) (provisional carry-back). Of the reported loss, 80% will be taken into account. The tax payable/paid for the 2019 financial year can then be either partly or fully reduced/refunded.



Tax measures – Direct and Indirect (continued) (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Filing/Payment Deadline Extension</p> <ul style="list-style-type: none"> No default penalty: The tax administration will not impose or will reverse a default penalty assessment that has been imposed for non-payment of tax or late payment of tax. Decreased provisional assessment <ul style="list-style-type: none"> If a provisional assessment has been imposed during the financial year, and it appears that the taxable profit will be lower than the profit estimated for the provisional assessment, a reduction of the provisional assessment can be requested (thus improving cash-flow since less tax will have to be paid immediately). The government has indicated that any requests for reduction in connection with the coronavirus will be granted by the tax authorities. <p>VAT refunds</p> <ul style="list-style-type: none"> If the taxpayer's customers are not able to pay their debts due to the coronavirus, then VAT paid in this regard can be reclaimed under certain conditions. 	<ul style="list-style-type: none"> A temporary measure for compensation of personnel costs for companies – companies expecting at least a 20% drop in revenue can ask for a compensation of up to 90% of salary and wage costs including social security premiums and holiday pay. Of the compensation, 80% will be given as an advance, and the remainder will follow as a settlement. Additional measures to support self-employed, who can get non reimbursable income support for three months through a fast track procedure, or a low interest loan for working capital 	<ul style="list-style-type: none"> Enlargement of the Guarantee Entrepreneurs finance measure (GO) for SMEs and larger firms, by raising the guarantee ceiling from EUR 400 million to EUR 1.5 billion. GO provides a 50% guarantee on bank loan and bank guarantees (minimum EUR 1.5 million, maximum raised to EUR 150 million) Small firms are offered a six month delay in repayments of micro loans through credits, with interest rates lowered to 2% Temporary opening of BMKB guarantee instrument for agricultural and horticultural companies Compensation for sectors especially affected by the outbreak 	<p>The Government offers a link to inform people</p> <ul style="list-style-type: none"> The Netherlands Enterprise agency offers a link with a FAQ section. It contains health-related information, but also information for employers on shortening working hours. Overall information provision to companies on the outbreak takes place via Chambers of Commerce. <p>Main sources of information</p> <ul style="list-style-type: none"> Netherlands: Tax relief measures for businesses, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-netherlands-tax-relief-measures-businesses-response-coronavirus.html Netherlands: Deferral of tax payments for three months, relief related to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-netherlands-deferral-tax-payments-three-months-relief-coronavirus.html Government of Netherlands: https://www.rijksoverheid.nl/actueel/nieuws/2020/03/17/coronavirus-kabinet-neemt-pakket-nieuwe-maatregelen-voor-banen-en-economie & https://www.rijksoverheid.nl/actueel/nieuws/2020/03/31/now-regeling-klaar-loketten-bijna-open Association of banks: https://www.nvb.nl/nieuws/banken-geven-bedrijven-extra-lucht-half-jaar-uitstel-van-aflissingen/



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As of 03 April 2020

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

Direct and indirect tax measures

- Tax relief for companies that carry back losses for that year against the two previous years' taxable profits. The tax value (22%) of the allowed carry back will be automatically paid out as part of the ordinary tax statement in 2021.
- Postponement of the second instalment of advance tax payment for companies until September 1st (originally due 15 April).
- VAT reduced from 12% to 8% from 20 March 2020 to 31 October 2020.
- Sales subject to the VAT low rate of 8% include passenger transport, overnight lodging, public broadcasting, access to cinema, museums, amusement parks and major sporting events.
- Low rates mean that the tax must be calculated at a rate of 12% VAT on sales, while deducting VAT on acquisitions for use in the business is normally 25%.
- The tax return for VAT for the first VAT period (January and February 2020) would be filed on 10 April 2020 (actually due on 14 April 2020, which is the first business day after the deadline for delivery of the VAT return). The deadline for paying VAT for the first ordinary VAT period in 2020 would be 10 June 2020.
- Extension of time for traders and certain other business owners to make the first instalment of advance payment of tax for 2020 would be provided to 1 May 2020 (from 15 March 2020).
- Owners of loss-making companies in 2020 could postpone payments of net wealth tax in respect of the value of the companies. This measure is intended to reduce the need for, among others, family-owned businesses to distribute dividends to owners to cover the wealth tax.
- The number of days employers are obliged to pay salaries to workers in case of temporary lay-offs would be reduced from 15 to two days. The intention is for this temporary measure to improve employers' liquidity and help avoid massive lay-offs.
- A measure would suspend the tax on air passengers for flights from 1 January 2020 until 31 October 2020.
- The proposal would allow the deduction of losses incurred in 2020 by filing an amended corporate income tax return, and a tax loss incurred in a given year would be deductible from income earned in five consecutive years.
- The Government's proposal would allow limited liability companies to apply up to NOK 30 million of corporate losses in 2020 against taxed profits the previous two years.

CIT – Reduction of advance tax payments by way of ordinary means (not a Covid-19 measure)

- Businesses that expect significantly lower profits in 2020 compared to previous years may apply for reducing the amount of advance payment of tax possibly to nil. Application must be submitted well in advance of the due date for the final instalment, i.e. well in advance of 15 April 2020.

Social security contribution–rate reduction

- To reduce costs and improve cash flow immediately, social security contribution rate will be reduced with 4 percent of the total contribution rate of 14.1% assumable for the salary payments in March and April. The payment deadline will be May 25th and the relief will have an immediate effect.
- Some areas in Norway have already have a reduced rate; it is uncertain if the same reduction applies to these areas.

Social security contribution–postponement of payment

- Payment of social security contribution originally due 15 May is postponed until 15. august 2020.



Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<p>Lower threshold to temporary lay off employees.</p> <ul style="list-style-type: none"> – A reduction in the employer payment period of 14 days notification period + 15 days of payment period to 2 days notification period and 2 days payment period. Thereafter the government will take over the salary payment obligation for a period of 18 additional days calculated up to a limited salary of Nok599 148. After this period, the government will cover 62,4% of the salary, maximum amount approximately NOK 426 000 (approx. 70% of salary). – Illness due to virus infection: the employer obligation is to pay salary the first 16 days of sick leave. Under the new situation, provided that illness is connected with the virus, the employer period of payment obligation is reduced to 3 days with full salary. – No medical certification is required if the employee is ill due to virus infection for the first 16 days. In fact, employees are encouraged not to seek doctor certification if symptoms are Covid-19 related. – Reduction in employers social security contribution obligation with 4 percent for two months, from originally 14.1% (please not that some areas in Norway have reduced rate and it is uncertain if the same reduction applies). Payment deadline for employers social security for the months March and April is extended to 15. August 2020. 	<p>The government will establish two state-backed loan and guarantee schemes in the total amount of NOK 100 billion (approximately U.S. \$10 billion) in an effort to provide liquidity for Norwegian enterprises.</p> <p>State loan guarantees for new loans to small and medium-sized enterprises</p> <ul style="list-style-type: none"> – The government has proposed to establish a state guarantee targeted at bank loans to small and medium-sized enterprises suffering losses as a result of the extraordinary situation arising from the spread of the corona virus. The initial package of NOK 50 billion will be increased if needed. <p>Government Bond Fund</p> <ul style="list-style-type: none"> – The Government has further proposed to reinstate the Government Bond Fund. This will contribute to increased liquidity and access to capital in the Norwegian bond market, where larger companies typically raise their funding. – "The Government Bond Fund will provide up to NOK 50 billion, to be invested in bonds issued by Norwegian companies. This is a measure we have positive experience with from the 2008 financial crisis", says the Minister of Finance. – The fund will be managed by Folketrygdfondet, which is the state's fund manager for the Government Pension Fund Norway. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Norway: Legislation adopted, financial and tax relief relating to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-norway-legislation-adopted-financial-tax-relief-coronavirus.html – Norway: Economic, tax measures to address coronavirus (COVID-19) situation: https://home.kpmg/us/en/home/insights/2020/03/tnf-norway-economic-tax-measures-to-address-coronavirus-situation.html – Norway: VAT relief measures, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-norway-vat-relief-measures-coronavirus.html – Norway: Legislation adopted, financial and tax relief relating to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-norway-legislation-adopted-financial-tax-relief-coronavirus.html



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As of 03 April 2020

General Information

On 18 March 2020, the government presented economic measures in response to the coronavirus (COVID-19) pandemic, and among those measures are tax-related proposals. The Minister of Finance announced that the tax on retail sales would be deferred until the end of the year.
 On 21 March 2020, the government submitted a preliminary Anti-Crisis Shield for consultation and on 25 March 2020, the Office of Competition and Consumer Protection (UOKiK's) issued Anti-Crisis Shield proposals for consideration.
 On 31 March 2020, the Polish Parliament adopted the package of legislative laws related to Anti-Crisis Shield, which was subsequently signed by the President. The majority of new regulations will enter into force from 1 April 2020

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

Supporting business during hard times

- Retroactive settlement of tax loss – the ability to deduct losses incurred in 2020 by filing an amended corporate income tax return, and a tax loss incurred in a given year would be deductible from income earned in five consecutive years.
- Postponed deadlines – the effective date of new SAF-T-V7M would be postponed to 1 July 2020 (from 1 April 2020), and VAT settlements would be facilitated.
- The deadline for companies to enter information into a central register of beneficial ownership would be postponed to 1 July 2020 (from 13 April 2020).
- Social security contributions – a special order issued 17 March 2020 provides that entrepreneurs in “a difficult situation” may submit a simplified application for three-month deferral of the payment of social security contributions for February, March, and April 2020 (the deferral would apply for payments that had been due on 10 or 15 March, April, and May).
- This deferral will be subject to discretionary assessment. Moreover, if the entrepreneur is in arrears in the payment of contributions and cannot repay them in one payment, an instalment arrangement may be requested. Once this arrangement is signed, the enforcement proceedings will be suspended. Moreover, enforcement of receivables from the period February - April 2020 will be suspended for taxpayers, that at the end of January 2020, were not in arrears with social security contributions.
- Other changes – include:
 - postponed deadline for filing individual income tax returns;
 - facilitations related to split-payment mechanism;
 - accelerated VAT refunds;
 - possible recognition of expenses as tax deductible costs, due to cancellations of tours by entities operating in the tourism sector;
 - relief from prolongation fee.
- On 21 March 2020, President Andrzej Duda announced a 3-month exemption from social security contributions for self-employed and micro-entrepreneurs whose revenues in March dropped by more 50%, compared to February this year.

Preliminary Anti-Crisis Shield submitted for consultation on 21 March 2020

- The bill contains almost 70 considerations in the area of: improving the financial liquidity of enterprises, postponing the implementation of certain obligations, securing jobs and employees’ incomes, as well as solutions enabling and improving the implementation of tasks.
- In particular, the bill contains proposal for statutory changes in the area of taxes; they were slightly amended compared to previous announcements and relate many to the following:
 - postponement of the deadline of payment of PIT advances on remuneration for March and April 2020 to 1 June 2020;
 - extension of the deadline for payment of the minimum commercial property tax for the period March – May 2020 to 20 June;
 - enabling CIT and PIT taxpayers to deduct losses incurred due to COVID-19 in 2020 from operating income generated in 2019;
 - possibility to resign from paying tax advances in a simplified form for so-called small taxpayers;
 - possibility to deduct donations for pandemic relief made in 2020 from taxable income;
 - exemption from income tax on support received as pandemic relief;



Tax measures – Direct and Indirect (continued) (e.g. payment deferrals, rate reductions...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)
<ul style="list-style-type: none"> • exemption from the application of the provisions on increasing income being the base for calculating PIT and CIT advances by the debtor in connection with the failure to pay the liability within 90 days from the expiry of the payment; • temporary lift of the so-called prolongation fee (charged in the event of deferment or payment in installments of taxes and ZUS contributions, currently 4% per annum). <p>– Several other changes relate to the following:</p> <ul style="list-style-type: none"> • postponement of the deadline for mandatory submission of new SAF-T files, including, among others, the VAT return along with the VAT records; • extension of the deadline for submitting information on transfer pricing; • extension of the deadlines for fulfilling the obligations arising from the provisions on Mandatory Disclosure Rules (MDR) in relation to tax arrangements other than cross-border tax schemes. <p>– For a certain period of 2020, the commune council may pass an exemption from property tax on land, buildings and structures used for conducting business activities for groups of entrepreneurs indicated by the commune whose financial situation has deteriorated in connection with COVID-19.</p>	<p>Anti-Crisis Shield proposals issued by the Office of Competition and Consumer Protection (UOKiK's) on 25 March 2020</p> <p>The President of the Office of Competition and Consumer Protection (“UOKiK”) is actively combating the economic effects of the COVID-19 pandemic in Poland and proposes solutions that are intended to protect consumer interests and counter abusive practices on the market. The key proposed solutions relate to the following actions:</p> <ul style="list-style-type: none"> – Proposed new price control tools imposing price and margin ceilings on certain products important for society and new accompanying sanctions: <ul style="list-style-type: none"> • up to PLN 5 million for violating the prohibition on applying prices or margins above the respective ceiling; • up to 10% of the annual turnover for repeated or large-scale infringements. – UOKiK also proposed amendments to the so-called “Crisis Act” – the Act of 2 March 2020 on extraordinary measures aimed at preventing and combating COVID-19: <ul style="list-style-type: none"> • Based on the proposed regulations, the Minister of Health in consultation with the Minister of Development and the Minister of Agriculture and Rural Development will be authorized to issue ordinances imposing maximum prices or maximum margins on wholesale and retail sales of goods and services that are critical for the protection of human health, safety or for household expenses. • According to the draft, using prices or margins above the ceiling will be punishable by fines in a range from PLN 5,000 to PLN 5,000,000. • Additionally, the UOKiK is to be authorized to impose penalties of up to 10% of the turnover in the preceding financial year on entrepreneurs who repeatedly infringe price and margin ceilings, do so with respect to various goods or services, or infringe them on a large scale. • Penalties for procedural infringements, such as refusing to provide the information requested by the UOKiK President, frustrating or hindering inspections, may amount up to 5% of the annual turnover but no more than PLN 50,000,000. – UOKiK also proposed a temporary reduction in the maximum level of non-interest costs on consumer loans; the amount of non-interest costs should not exceed 5% on loans with maturity of less than 30 days and 15% plus 6% for each year of the term for loans with maturity of more than 30 days. – The current draft does not include the working proposal made earlier by UOKiK that consumers should be permitted to suspend the performance of a consumer loan or mortgage loan, which would release consumers from the obligation to make payments under such loans, and no interest or other fees would be charged in respect of the suspension period.



Employment-related measures (e.g. state compensation schemes, training...)	Other measures and sources
<p>Special purpose Act on support for businesses affected by COVID-19 epidemic</p> <p>One of the primary objectives of the Special purpose Act on support for companies due to COVID-19 epidemic relates to employment protection. The key measures implemented by the State in this respect enters into force from 1 April 2020 and comprise <i>inter alia</i>:</p> <ul style="list-style-type: none"> – Subsidies for employee remuneration costs and social security contributions for the enterprises in the event of a decline in sales revenues due to COVID-19 epidemic. The enterprise will be eligible for subsidy if the decline in sales revenues will amount to: <ul style="list-style-type: none"> • not less than 15% - calculated as the ratio of total sales revenues in the following two months period after Jan 2020, to the total sales revenues from the corresponding 2 months of the previous year (i.e. 2019); or • not less than 25% - calculated as the ratio of total sales revenues in any given month in the period after Jan 2020 compared to the turnover from the previous month. – The subsidy may be granted due to: <ul style="list-style-type: none"> • economic downtime (i.e. when an employee does not work for reasons not related to the employee). The employer will receive a subsidy in the amount of 50% of minimum wage plus social security contributions up to three months period and will be obliged to pay a 50% of base remuneration to given employee (however not less than 100% minimum wage), • reduction of employee's working time by 20%, but not more than to half time. The salary of such an employee may be subsidized up to half of the salary, but no more than 40% of the average monthly salary from the previous quarter plus social security contributions up to three month period. The remuneration paid after the working time reduction may not be lower than the minimum wage. – Additional subsidies for employee remuneration costs and social security contributions for micro, small and medium-sized enterprises for up to 3 month period, in the event of a decline in total sales revenues in the following two months of 2020 compared to the total sales revenues from the corresponding 2 months of 2019, in the amount of: <ul style="list-style-type: none"> • 50% of minimum wage plus social security contributions per employee, if the decline in sales revenues amounted to 30%, • 70% of minimum wage plus social security contributions per employee, if the decline in sales revenues amounted to 50%, • 90% of minimum wage plus social security contributions per employee, if the decline in sales revenues amounted to 80%. – Exemption from social security contributions for up to 3 months period for owners of micro-enterprises (employing up to 9 people) established before Feb 2020 and self-employed people with income below three times the average wage, registered before Feb 2020. – Payment of a "work suspension benefit" in the amount of approx. PLN 2,000 for employees working based on a civil law contracts and self-employed (if they were active before Feb 2020); in the case of self-employed persons, income in the month preceding the month of submitting the application for "work suspension benefit" must fall by at least 15% compared to the previous month. The benefit is also granted to self-employed persons who suspended their activities after Jan 2020. – The employer affected by COVID-19 epidemic will be able to reduce the employee's daily uninterrupted rest time from the current 11 hours to 8 hours (with an obligation to provide an employee with equivalent rest within 8 weeks), and to reduce the weekly rest period from 35 to 32 hours. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Poland: Tax relief in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-poland-tax-relief-response-coronavirus.html – The Chancellery of the Prime Minister: https://www.premier.gov.pl/wydarzenia/aktualnosci/jadwiga-emilewicz-bedzie-specustawa-dla-gospodarki-w-sprawie-koronawirusa.html – Government of Poland: https://www.gov.pl/web/finanse/ministerstwo-finansow-z-pomoca-dla-msp – Journal of Laws of the Republic of Poland: http://dziennikustaw.gov.pl/DU



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As of 03 April 2020

<p>General Information</p>	<p>Following the outbreak of COVID-19 in Portugal, Order no. 104/2020 - XXII was issued to provide tax relief as well as to address other challenges that companies may encounter.</p> <p>On March 17, the government announced a EUR 9.2 billion stimulus package. The government stimulus package consists of:</p> <ul style="list-style-type: none"> – EUR 5.2 billion euros in fiscal stimulus – EUR 3 billion in state-backed credit guarantees – EUR 1 billion related to social security payments, and will include soft loans, and a delay in some tax payments to support businesses 		
<p>Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)</p>	<p>Employment-related measures (e.g. compensation schemes, training...)</p>	<p>Economic stimulus measures (e.g. loans, moratorium on debt repayments...)</p>	<p>Other measures and sources</p>
<p>Regarding tax matters, the deadlines for some tax obligations of companies have been postponed, including the following:</p> <ul style="list-style-type: none"> – Postponement of the deadline regarding the first instalment of the special payment on account (due in March) to 30 June 2020, without being subject to any penalty – Postponement of the deadline for filing the corporate income tax return (“Modelo 22”) for the 2019 tax period—it has been extended from 31 May 2020 to 31 July 2020, without any penalty – Postponement of the deadline regarding the first instalment of the payment on account and the first instalment of the additional payment on account by companies (due in July) to 31 August 2020, without any penalty – Situations of infection or preventative isolation of taxpayers and their accountants, declared by health authorities will be considered reasonable cause for a delay to the fulfilment of tax reporting obligations – Deferred payments on all contributions by self-employed people. 	<p>Specific health guidance for companies has been issued.</p> <ul style="list-style-type: none"> – On 9 March, the government announced it was earmarking EUR 200 million in loans to support SMEs. This was followed on 10 March by the announcement of the launch of a credit line to support treasury to companies affected by the outbreak, in the initial amount of EUR 100 million. The package includes measures to support liquidity, but also to support of wages. – The Government is preparing to pass extraordinary legislation that will simplify the lay-off regime in companies whose activity is affected by the effects of the Covid-19 epidemic, exemption from contributions to Social Security for up to seven months for companies – The announced measures also include a special budget to allow people who are out of a job to get training 	<ul style="list-style-type: none"> – The announced measures also include a credit line of EUR 60 million for micro-companies in the tourism sector; 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Poland: Tax relief in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-poland-tax-relief-response-coronavirus.html – Portugal: Update on tax relief measures, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-portugal-update-on-tax-relief-measures-responding-to-coronavirus.html



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As of 03 April 2020

General Information

On 18 March, the government announced a package to support companies. The measures aim to increase the liquidity of the companies and support the companies that temporarily suspend their activity. The measures include:

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

In response to the context created by the COVID-19 epidemic, two key tax measures have been adopted by the Romanian Government and enacted through GEO 29/2020:

- All tax obligations which have their due date after 21 March 2020 and which are unpaid do not qualify as overdue, and therefore they are not subject to late payment interest and penalties.
- All tax related foreclosure procedures involving garnishments are suspended by law.
- Both measures cease to produce effect 30 days from the end of the state of emergency situation, declared by the Romanian state as of 16 March 2020.
- The same ordinance provides for deferral of the payment deadline of local taxes such as taxes for buildings, land, and vehicles from 31 March 2020 to 30 June 2020, while the reduction of up to 10% for full payment granted by local councils is still applicable.

Other tax measures

- For all quarters of 2020, taxpayers who make, either by law or by option, advanced quarterly payments of corporate income tax by reference to the corporate income tax level of the previous year (2019) are allowed, by exception, to calculate, declare and pay quarterly corporate income tax at the level of the actual profit of 2020. This measure is also applicable to taxpayers with a fiscal year different from the calendar year, in 2020.
- Tax restructuring and relief measures for overdue tax obligation as at 31 December 2018 which were enacted by GO 6/2019 remain applicable if the taxpayers who want to access the measures submit notifications of intent by 31 July 2020 (the deadline before deferral was 31 March 2020) and then submit the application for restructuring measures by 30 October 2020 (the deadline before deferral was 31 July 2020).
- The deadline for filing the UBO statement has been extended to 3 months from the end of the state of emergency, as declared by Decree 195/2020.
- Throughout the duration of the state of emergency, the filing of the statement and of related documentation has been suspended.

Economic stimulus measures
(e.g. loans, moratorium on debt repayments...)

- Raising the ceiling for credit guarantees for SMEs affected by the coronavirus crisis by LEI 5 billion, which depending on the financing needs of SMEs, can be increased even further to LEI 15 billion. Interest is 100% subsidized. The guarantee will cover 90% of loan amounts of up to LEI 1 million and 50% for credits of over LEI 1 million.



Employment-related measures (e.g. compensation schemes, training...)	Other measures and sources
<p>Public funding</p> <ul style="list-style-type: none"> – Covering 75% of the salary of employees sent into technical unemployment by companies affected by the coronavirus crisis if their activity is interrupted, totally or partially or is reduced as a result of the effects of the COVID-19 pandemic for the duration of the state of emergency, based on a solemn declaration of the employer. <p>Social protection measures</p> <ul style="list-style-type: none"> – The criteria for sending employees into technical unemployment and minimum income ensured for freelancers working in industries where activity is reduced or interrupted due to the pandemic. – The conditions for granting free paid days to parents, in order to supervise their children during the temporary closure of educational establishments. – The online submission of the documentation needed in order to gain access to social benefits. – The measures for ensuring continuity in the granting of return to work incentives and child care allowance, as well as for facilitating access to medical leave and medical leave indemnities for quarantined persons. – The employees which have at least one active employment agreement will not benefit of the allowance for technical unemployment. if one employee has more employment contracts and all these are suspended, they will benefit of the allowance for the most favorable salary. <p>Specific aspects regarding the technical unemployment regulated under the specific legislation issued by the Romanian legislative authorities in the context of COVID-19 pandemic:</p> <ul style="list-style-type: none"> – The technical unemployment under the conditions regulated by the special legislation is to be applicable only during the state of emergency period, as decreed by the Romanian competent authorities. <p>Work-time reduction</p> <ul style="list-style-type: none"> – The employers shall initiate the prior consultation of the representative trade union or of the employees' representatives, as the case may be, with respect to reduction of the working schedule from 5 to 4 days/week – their consent is not mandatory, but they have to be consulted; – Decision of the employer regarding the working-time and salary rights reduction of the employees – Registration with REVISAL of employees' working program and salary amendment under the legal terms (i.e. one working day prior to the amendment), under the penalty of administrative sanctions that may be applied by the competent labor authorities. 	<p>Main sources of information:</p> <p>GEO 29/2020 – tax relief measures enacted in response to the COVID-19 outbreak https://home.kpmg/ro/en/home/insights/2020/03/gEO-29-2020-tax-relief-measures.html</p>



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As of 03 April 2020

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>
<p>Incentives to companies to continue operating</p> <ul style="list-style-type: none"> – Tax holidays to support aviation and tourism industries. <p>Support to the industries at risk</p> <ul style="list-style-type: none"> – Support of touristic companies, developers and other influenced industries: partial relief from mandatory payments, tax vacations etc. – Introduction of a moratorium on inspections of SMEs, including tax, except for the issues that pose risks to life and health of citizens – Introduction of a three-month delay for the payment of insurance contributions, including employees, for micro-enterprises – Expansion of the program for subsidizing access of SMEs to loan funds within the easy-term loan program – Temporary deferral (or a moratorium) on rental payments by SME lessees of state or municipal property <p>25 March 2020 President Vladimir Putin addressed the nation and announced following support measures:</p> <p>Support to business</p> <ul style="list-style-type: none"> – Small and midsized businesses will receive a six-month tax deferral for all taxes excluding VAT and social insurance payments – The government should develop the list of industries mostly hit by crisis and propose the anti-crisis measures – Six months ban for bankruptcy claims against the debtors from creditors or financial lenders – Decrease of the social insurance rate from 30% to 15% for salaries exceeding the minimum statutory wage <p>New taxation</p> <ul style="list-style-type: none"> – 13% income tax on interest accrued on deposits exceeding 1 mln rubles (\$12,700) – Increase to 15% taxation rate for dividends paid out from Russia – Funds received by state budget in the results of these measures should be spent on support of families, unemployed and sick people 	<p>Labor policy</p> <ul style="list-style-type: none"> – On 23 March, authorities are preparing measures to prevent employers from firing workers who cannot come to work due to quarantine. Moscow city authorities order telecoms to continue providing service for quarantined users with zero balances, and require utilities to cancel late payment fees. – The government is urging employers to allow employees to work from home.



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Monetary policy</p> <ul style="list-style-type: none"> – The Central bank kept the key rate unchanged, at 6%. – The bank has also announced that it is monitoring the situation in financial markets closely. On 10 March and 13 March, it engaged in repo auctions of 500 billion rubbles to ensure sufficient liquidity in the banking sector. It has also engaged in selling foreign currency in the domestic market and foregone scheduled domestic forex purchases. Finally, the central bank has eased some banking regulations, such as loan risk weightings, to ensure that banks maintain lending to producers of pharmaceuticals and medical equipment. <p>Banking regulations</p> <ul style="list-style-type: none"> – Central bank permitted the banks not to increase loan loss provisions if the loan was restructured due to coronavirus consequences <p>Incentives to companies to continue operating</p> <ul style="list-style-type: none"> – Low-cost loans to retail sector and small- and medium enterprises. <p>System-wide measures</p> <ul style="list-style-type: none"> – Creation of a financial reserve in amount up to RUB 300 billion established to support the economy and compensate quarantined citizens for lost income. – Non-application of penalties for certain government contracts in case of violation of obligations by the contractor due to the consequences of the spread of new coronavirus disease 	<p>Trade restrictions</p> <ul style="list-style-type: none"> – On 23 March, authorities are studying measures that may prevent the export of essential medicines and other goods. – Simplification of certain customs procedures and other regulations seen as impeding the flow of essential imports. <p>Supply of essential goods and support to the population</p> <ul style="list-style-type: none"> – Establishment of term of payment of sick leaves to quarantined persons, provision of a possibility of distant issue of sick leaves – Development of the mechanism to support the sufficient stock level of socially important products in shops, including subsidizing interest rates on loans raised to create excess stock – Setting of zero rate of import customs duties for the goods determined by the Government of the Russian Federation, including medicines and medical devices, establishment of a 'green channel' for imports of essential goods and food – Temporary removal of restrictions on traffic within the city line and loading and unloading for transport facilities that deliver food and non-food essential goods <p>State and local governments are empowered to implement anti-crisis measures which previously were subject to President or Parliament approval, such as tax deferrals, additional unemployment payments, quarantine measures</p> <p>Main sources of information</p> <ul style="list-style-type: none"> – Russian Government: http://government.ru/en/



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As of 03 April 2020

Updated

General Information

The Government of Serbia issued a Decree on Tax Measures to Mitigate the Economic Consequences of COVID-19 Disease during the State of Emergency (Decree). The Decree entered into force immediately, 20 March 2020. The measures aim to increase taxpayers' liquidity.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Reduction of the default interest rate

- The Decree provides for a 10 percentage point reduction in the default interest rate for underpaid or overpaid tax, so that it now becomes equal to the National Bank of Serbia (NBS) annual reference rate.
- Given the current annual reference rate of the NBS, the default interest rate has been reduced from 11.75% to 1.75% per annum since 20 March 2020.

Taxpayer-specific relief

- For taxpayers who have been granted a deferred payment of the tax debt within the meaning of Articles 73-74b of the Law on Tax Procedure and Tax Administration, during the state of emergency, starting from the instalment due in March 2020, the Tax Authorities will not annul the agreement with the Tax Authorities, i.e. cancel the decision on the delay of payment of the tax debt, or initiate the forced collection procedure. During this period, no default interest will be charged on the tax debt.

The proposed tax policy measures would relate to the deferral of tax payments, and would concern an obligation for repayment of deferred taxes in instalments, not earlier than beginning of fiscal year 2021. These include proposals for:

- Deferral of payments of salary tax and social security contributions for the private sector until beginning of fiscal year 2021 with a possibility of an additional extension. Deferred tax obligations would need to be paid over a period of not more than 24 months, in monthly instalments without any late-payment interest.
- Deferral of payments of advance corporate income tax for the second quarter of 2020.
- Value added tax (VAT) exemption for donation of goods with a goal of motivating donations to institutions that are involved in implementation of measures for protection from COVID-19.

Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

Fiscal Measures to support the economy

- Government has announced it will allocate additional RSD 2.5bn of funds for new public capital investments.
- Government and the Chamber of Commerce are working on a comprehensive set of measure to support the private sector and alleviate the effects cause by the business slowdown, especially in the worst hit sectors (tourism and hotel industry, logistics, transportation and others). The set of measures is expected to be announced in April.

Measures by the National Bank of Serbia

- At the 12 March meeting, the National Bank of Serbia ('NBS') lowered the key reference rate by 50 bp to 1.75%, in response to heightened uncertainty in the international environment triggered by the spread of COVID-19, which is in line with the activities taken by other central banks worldwide.
- On 18 March, the NBS adopted decision imposing a moratorium on debt payments. The moratorium is envisaged for all debtors who wish to apply it (natural persons, farmers and entrepreneurs, corporates) and implies a suspension of debt payments for at least 90 days, i.e. for the duration of the emergency state declared due to the pandemic. For the duration of the emergency state, banks and lessors will not charge any default interest on past due outstanding receivables and will not initiate enforcement or enforced collection procedures, or take other legal actions to collect receivables from their clients.

Other measures and sources

Main Sources of information

Serbia: Tax relief, responding to coronavirus (COVID-19):
<https://home.kpmg/us/en/home/insights/2020/03/tmf-serbia-tax-relief-responding-to-coronavirus.html>

Serbia: Tax, economic relief measures (COVID-19) :
<https://home.kpmg/us/en/home/insights/2020/04/tmf-serbia-tax-economic-relief-measures-covid-19.html>



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As of 03 April 2020

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

The Slovak Government approved the Draft Regulation of the Slovak Government on the cancelation of the tax underpayment corresponding to the unpaid penalty related to the paid income tax (“Regulation”).

Immediately feasible measures:

- Postponement of the deadline for filing the income tax returns for individuals and legal entities until 30 June 2020.
- Postponement for duty to pay taxes for every tax payer until 30 June 2020.
- Postponement for duty to submit VAT returns and the deadline to pay VAT on the basis of tax subject’s notice.
- Extension of deadline for tax inspections and local investigation – mainly in actions requiring personal contact, witness hearings, verbal notice to appear and proceedings and inspection of records. Ensuring of controlled deadlines of financial obligations the government has towards companies.
- Remit of interest on late tax income prepayments if the arrears appear during the current period and will be paid until the end of this year.
- Extension of deadline for customs debt payment (from 10) to 30 – 45 days.

Measures supporting repeated economic growth

- Adjustment of possible tax loss depreciation not to be limited in any way or to be limited by a certain period.
- Support for investing in the private sector via sped up tax depreciation and using the tools provided by Slovak Investment Holding, European Investment Bank or Slovak Business Agency.

Employment-related measures
(e.g. compensation schemes, training...)

Immediately feasible measures:

- Absolute exemption from social and health payments for employees, income taxes for those employers, who are unable to assign work to their employees for the reason of adhering to orders putting down the operation as a result of preventive quarantine measures.

Measures requiring legislative adjustments

- Change in conditions of the ‘care for a family member’. If the child has two parents, one of them stays at home and would receive 80% of the average salary (this would be paid by the Social Insurance Agency). If the child has only one parent, the government would provide a financial voucher for the purpose of home care services.
- Introduction of a new status – the so called ‘quarantine incapacity to work’ eligible for sickness benefits (The Social Insurance Agency would pay the costs from the day 1).
- Simplification of conditions for payment of a contribution for job retention to help SMEs and self-employed.
- Payment of 55 % of salary for employees, who must stay at home (i) due to quarantine, or (ii) with their children due to closed school by the Social insurance company (at this time, employees receives only 55 % of salary from the Social insurance company from the first day of the quarantine or child care);
- Payment up to 80% of wage costs of employers, who had to be closed due to Covid-19 crisis measures of the government;
- The state plans to provide monthly bank guarantees in the amount of 500 million Eur, to loans provided to entrepreneurs by banks;
- Under certain circumstances, the entrepreneurs have option to postpone contributions to social security system / monthly advance payment of taxes;
- Please note that the measures above (except the first one) were introduced only on 29 March 2020 by the government and were not adopted yet.



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Immediately feasible measures:</p> <ul style="list-style-type: none"> – Granting of short-term interest-free loans for companies (mainly SMEs) via EXIMBANKA (Export-Import Bank) and the Slovak Guarantee and Development Bank (SZRB) to overcome the period of the state of emergency. – Postponement of obligatory social and health payments in the period from March 2020 until June 2020 for legal entities and self-employed persons. – Automatic extension of validity of MOT and emission tests for vehicles having expired validity from 13 March (including) until 12 June. – Financing of costs of supported technologies producing electricity during the period March–December (which would lead to the lower price of tariff for the operation of the system) – Negotiations with bank and finance sectors on possible postponement of loan instalments, mortgages and leasing without negative records in register for the debtor. Negotiations on possible bank product that would help companies to overcome the adverse financial situation – for that purpose, banks would be proportionally exempted the bank levy payments. Negotiations on the possibility that insurance companies would not have to pay the levies. – Negotiations with energy suppliers for the purpose of exemption from companies to pay penalties for not complying with arranged diagram of electric energy consumption. – Exemption for companies from paying penalties if they are unable to carry out public contracts. – Restriction of new and planned controlling actions of companies and businesses until June. – Negotiations on the EU level on enabling of use of euro funds for the purpose of covering of the effects of COVID-19 and financial rehabilitation. <p>Measures requiring legislative adjustments</p> <ul style="list-style-type: none"> – Adjustment of regulation on production of alcohol for the purpose of disinfectant production. 	<p>Main Sources of information</p> <p>Slovakia: Tax relief included in measures responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-slovakia-tax-relief-measures-coronavirus.html</p>



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As of 03 April 2020

General Information

On 10 March, the government presented eight crisis measures of EUR 1 billion to ensure the liquidity of companies, aid in the preservation of jobs, minimize the damage already incurred and guarantee that the situation of companies on the market does not further deteriorate. The measures include immediate intervention measures as well as strategic measures for the restructuring of supply chains, and include (see below):

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> – A proposal for tax deferral 	<ul style="list-style-type: none"> – An intervention law for co-financing temporary lay-offs – Media report on measures regarding self-employed 	<ul style="list-style-type: none"> – Lines of credit at the SID Bank, the Slovenian Enterprise Fund and the Slovenian Regional Development Fund – Aid to companies in difficulty, telework and quarantine cases – Measures in the field of tourism promotion 	<ul style="list-style-type: none"> – Aid in the field of internationalization <p>Main Sources of information</p> <ul style="list-style-type: none"> – Government of Slovenia: 1 Billion to mitigate the consequences of Coronavirus: https://www.gov.si/en/news/slovenia-allocates-eur-1-billion-to-mitigate-consequences-of-coronavirus-on-the-economy/



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As of 03 April 2020

General Information

Eight pieces of legislation—Royal Decree-Law 6/2020, Royal Decree-Law 7/2020, Royal Decree 463/2020, Royal Decree-Law 8/2020, Royal Decree 465/2020, Royal Decree-Law 9/2020, Royal Decree-Law 10/2020 and Royal Decree-Law 11/2020 —provide initial measures to address the coronavirus (COVID) crisis. The legislation includes measures that address health and the economy at large, with a particular emphasis on the tourism industry, small and medium size enterprises (SMEs), and the self-employed, as well as persons affected by the containment measures. Given the gravity of the situation, it is expected that these are but the first of many laws, decrees and ministerial orders (presumably some would be announced at the next cabinet meeting). These measures are at the national level, and they could be supplemented by measures at regional and local levels

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

Guarantee of liquidity to sustain economic activity

- Suspension of tax time periods (Art. 33 Royal Decree-Law 8/2020)
 - First off, Royal Decree 465/2020 of 17 March 2020 clarifies that the suspension of the statutory periods envisaged for administrative procedures referred to in Royal Decree 463/2020, declaring a state of emergency, does not apply to tax-related deadlines, subject to special regulations and, specifically, that it does not affect deadlines for filing tax returns and self-assessments. The State Tax Agency website confirms this decision.
 - In general terms, the main measure adopted in tax fiscal area is an adjusting of the deadlines for tax procedures, which have for the most part (albeit not across the board) been extended to 30 April or 20 May. Significant exceptions include the obligation to self-assess taxes or file informative returns, which remain subject to the usual deadlines.
 - In particular, among other, the following deadlines for tax procedures are extended: (i) the time periods for payment of tax debts resulting from assessments issued by the authorities, both during the voluntary payment period and during the enforcement period, (ii) the expiry dates for time periods and split payments under deferred and split payment agreements that have already been granted are.
 - Moreover, between 18 March 2020 and 30 April 2020, guarantees will not be enforced against real estate assets in administrative enforced collection proceedings.
 - The period running from 18 March 2020 to 30 April 2020 will not be factored in for the purposes of calculating the maximum duration of tax enforcement, penalty and review proceedings conducted by the STA. Likewise, this period will not be counted for the purposes of limitation periods with respect to the rights of either the tax authorities or the taxpayer, or for the purposes of time barring.

Transitional financial support measures

- Deferral of tax debts (art. 14 Royal Decree-Law 7/2020)
 - The deferral of payment of tax debts shall be granted for all tax returns and self-assessments with a filing and payment deadlines falling between 13 March 2020 and 30 May 2020.
 - Eligibility: self-employed and small and medium-sized enterprises (SMEs) whose turnover in 2019 was less than €6,010,121.04
 - Conditions of deferral: 6 months, with no interest accruing for the first three months.
 - This deferral also applies to certain tax debts that would ordinarily be excluded from this option, such as: withholdings and payments on account, VAT and instalment payments in respect of corporate income tax.



Updated

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Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...) - The Royal Decree 11/2020, from 31 March 2020, which introduces further urgent economic and social measures against COVID-19, comes into effect on 2 April 2020, the day after its publication in the Official State Gazette (BOE)

Deferral of customs debts (art. 52)

- The payment of customs debts and related taxes, arising from customs declarations submitted during the period 2 March 2020 to 30 May 2020 inclusive, may be deferred, provided that these requests are less than EUR 30,000 and that the amount of debt to be deferred is greater than EUR 100.
- The aforementioned deferral is not applicable to VAT returns that are settled on the import of goods, as established in art. 167. second paragraph of VAT Law (37/1992).
- The following conditions must be met for any payment deferral request:
 - The request is made on the customs declaration.
 - The notification of any payment deferral approval will be made as planned for customs debt, in line with art. 102 of the Union's customs regulation.
 - The guarantee provided in relation to obtaining the cleared products will be valid for obtaining the deferral, and still affecting the payment of the customs debt and related tax until all requirements have been met by the obligor of the deferred debt, notwithstanding the provisions in section 3 of article 112.3 of the Union's customs regulation.
 - In order for the deferral to be granted, it will be necessary for the recipient of the imported goods to be an individual or entity with 2019 trading volume no greater than EUR 6,010,121.04.
 - The conditions for the deferral will be as follows: (i) the deferral will have a duration of 6 months; (ii) no interest for late payment will accrue during the first three months of the deferral.

Application of article 33 of the Royal Decree-Law 8/2020 to Autonomous Communities and Local Districts (art. 53)

- It notes that the suspension of tax deadlines regulated in article 33 of the Royal Decree-Law 8/2020 is applicable to actions and procedures governed by the General Tax Law (LGT) and its development regulations, and that they may be made and processed by the tax administrations of Autonomous Communities and Local Districts. The suspension also applies to actions and procedures governed by the revised text of the Regulatory Law for Local Tax Authorities.
- The suspension will apply, as established in the fifth transitional provision of the Royal Decree-Law 11/2020, to procedures that have started prior to 18 March 2020 – the date when the Royal Decree-Law 8/2020 came into effect.

Employment-related measures

(e.g. state compensation schemes, training...)

More flexible mechanisms for temporary adjustments of activity

- Exceptional measures in relation to the procedures for the suspension of contracts and reduction of working hours by reason of force majeure (Art. 24)
 - The procedure shall be initiated by the company, accompanied by a report on the loss of activity as a result of COVID-19.
 - Force majeure must be deemed to exist by the labor authority, irrespective of the number of workers affected.
 - On receipt of the report from the labor and social security inspection service, the labor authority must, where appropriate, hand down a decision within five days of the request.
 - The labor and social security inspection's report will be drawn up within a non-extendable period of five days.
- Exceptional measures in relation to the procedures for the suspension and reduction of working hours for economic, technical, organizational and production-related reasons linked to COVID-19. (Art. 24)
 - Where there are no workers' statutory representatives, the representative committee will be made up of the labor unions with the highest membership in the sector. If it cannot be assembled with those representatives, the committee will be made up of three workers.
 - Consultation period between the company and the workers: up to 7 days
 - The labor and social security inspection report: up to 7 days
- Exceptional measures in relation to the procedures for the suspension of contracts and reduction of working hours by reason of force majeure (Art. 24)
 - In procedures involving the suspension of contracts and reduction of working hours by reason of temporary force majeure related to COVID-19,
 - the Social Security authority will exempt the company from the payment of the employer's contribution and the contributions for joint collection items while the authorised suspension of contracts and reduction of working hours persists
 - With 50 or more workers registered with the social security, the exemption from the obligation to pay contributions will cover 75% of the employer's contribution.
 - This exemption shall have no effects for the worker, as the aforementioned period shall be deemed to be a contribution period to all intents and purposes
- Extraordinary measures regarding unemployment benefits for application of the procedures referred to in Articles 22 and 23. (Art. 25)
 - The right to the contributory unemployment benefit shall be recognized even if workers have not met the minimum contribution period required.
 - The time during which the contributory unemployment benefit is received for the aforementioned extraordinary reasons shall not be included for the purposes of determining completion of the established maximum periods for receiving benefits.
- Temporary limitation of the effects of late filing of applications for unemployment benefits (Art. 26)
 - These effects shall not apply during the period of enforcement of the extraordinary measures adopted regarding public health.
- Extraordinary measures related to the extension of unemployment benefits and the period for filing annual income tax returns (Art. 27).
 - The managing entity shall be authorized to extend ex officio the right to receive unemployment benefits in the case of workers who are eligible for a six-month extension (irrespective of whether they have applied for it).
 - In the case of unemployment benefit recipients over 52 years of age, payment of benefits and social security contributions shall not be interrupted even in the event of late filing of the requisite annual income tax return
- Duration of the measures provided for in Chapter II (Art. 28).
 - The measures provided for in Articles 22, 23, 24 and 25 of this Royal Decree-law shall remain in force for as long as the extraordinary situation caused by COVID-19 shall persist.



Employment-related measures (continued) <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>
<p>Other measures– Royal Decree-7 2020</p> <ul style="list-style-type: none"> – Measures to support the continuation of the employment of workers with permanent seasonal contracts in the tourism industry and tourism-related retail and hotel and restaurant sectors (art. 13). <ul style="list-style-type: none"> • Companies (excluding those in the public sector) in the tourism industry, as well as those in the tourism-related retail and hotel and restaurant sectors, which generate productive activity between February and June and which hire or retain workers under permanent seasonal contracts during such months will be able to apply a 50% reduction of employers' social security contributions for non-occupational contingencies, and for the joint refunding of unemployment benefits, the wage guarantee fund (FOGASA) and vocational training in respect of such workers. <p>Transitional financial support measures</p> <ul style="list-style-type: none"> – Request for extraordinary deferral of repayment schedule for loans granted by the General Secretariat for Industry and Small and Medium Enterprises (art. 15) <ul style="list-style-type: none"> • Companies (excluding those in the public sector) in the tourism industry, as well as those in the tourism-related retail and hotel and restaurant sectors, which generate productive activity between February and June and which hire or retain workers under permanent seasonal contracts during such months will be able to apply a 50% reduction of employers' social security contributions for non-occupational contingencies, and for the joint refunding of unemployment benefits, the wage guarantee fund (FOGASA) and vocational training in respect of such workers <p>Paid leave – Royal Decree 10 2020 (Application between March 30 and April 9, 2020)</p> <ul style="list-style-type: none"> – Workers will retain the right to the remuneration that would have corresponded to them if they were rendering services. – Recovery of working hours: from the day following the end of the alarm state until December 31, 2020. – This recovery must be negotiated in a consultation period open for this purpose between the company and the legal representation of the working people, which will have a maximum duration of seven days. – In any case, the recovery of these hours may not suppose the breach of the minimum daily and weekly rest periods provided for in the law and in the collective agreement, the establishment of a notice period lower than the one collected. <p>Minimum indispensable activity – Royal Decree 10 2020 (Application between March 30 and April 9, 2020)</p> <ul style="list-style-type: none"> – Companies that must apply the recoverable paid leave may establish the minimum number of staff or strictly essential work shifts in order to maintain the essential activity. This activity and this minimum number of staff or shifts will have as reference the one held on an ordinary weekend or on holidays. 	<p>Guarantee of liquidity to sustain economic activity</p> <ul style="list-style-type: none"> – Approval of a credit line whereby the State shall cover the financing extended by financial institutions to companies and self-employed persons. (Art. 29) <ul style="list-style-type: none"> • Approval of a credit line whereby the State shall cover the financing extended by financial institutions to companies and self-employed persons. The Ministry of Foreign Affairs and Digital Transformation will grant up to EUR 100,000 million in guarantees for funding provided by credit institutions. • The conditions that apply and the requirements that must be met, including the maximum period for applying for the guarantee, shall be established by the Council of Ministers without the need to enact any subsequent implementing regulations. • The guarantees granted under this regulation and the terms and conditions agreed by the Council of Ministers shall comply with European Union regulations on state aid. – Raising of the net indebtedness limit of the Spanish official credit institute (ICO) to increase the ICO credit facilities for the financing of companies and the self-employed. (Art. 30) <ul style="list-style-type: none"> • The net indebtedness limit of the Spanish official credit institute (ICO) provided in the General State Budget Law will be raised by EUR 10,000 million to provide companies, particularly SMEs and self-employed workers, with additional liquidity. This will take the form of short-, medium- and long-term ICO financing facilities provided through financial institutions, and of direct funding for larger companies, in accordance with ICO's policy regarding financing. • The decision-making bodies of the ICO will adopt the necessary measures to make more funds available and provide greater flexibility of funding, as well as to improve company access to credit while preserving the necessary financial equilibrium stipulated in its articles of association.

Economic stimulus measures (continued)

(e.g. loans, moratorium on debt repayments...)

Guarantee of liquidity to sustain economic activity (continued)

- Extraordinary insurance cover facility. (Art. 31)
 - Beneficiaries: Spanish small and medium enterprises (SMEs) and other larger unlisted companies in the following circumstances:
 - Companies engaged in international trade or that are in the process of internationalization, and that meet at least one of the following requirements:
 - companies whose international operations, as reflected in the latest available financial information, account for at least one-third (33%) of their turnover, or
 - companies with regular export activities (those that have carried out regular exports over the past four years in accordance with the criteria established by the Secretariat of State for Trade).
 - Companies that are experiencing liquidity problems or lack of access to funding as a result of the impact of the crisis caused by COVID-19 on their economic activity.
 - Excluded: companies in technical insolvency or in pre-insolvency proceedings, and companies in default of payments to public sector companies or that have outstanding debts with the administration.
 - Formalization: two tranches of EUR 1,000 million each, the second of which will go into effect on verification that the first tranche has been issued in a satisfactory manner.
- Financial measures aimed at owners of agricultural holdings that arranged loans due to the drought in 2017 (Art. 35)
 - Owners of agricultural holdings who, affected by the drought in 2017, contracted credit facilities, will be allowed to voluntarily enter into agreements with financial institutions to extend the repayment periods of their loans by up to one year, which shall be considered a grace period.
 - The Ministry of Agriculture, Fisheries and Food will finance the additional cost of the guarantees granted by the Sociedad Anónima Estatal de Caución Agraria (SAECA) as a result of extending the aforementioned repayment periods.

Additional measures to enable an adequate response

- Period for petitioning for insolvency proceedings. (Art. 43)
 - Insolvent debtors will be under no obligation to apply to the courts for an insolvency order while the state of emergency is in force.
 - Until two months from the end of the state of emergency, judges will not grant leave to proceed with any petitions for necessary insolvency filed while the state of emergency was in force or any filed during these two months.
 - Any voluntary petition for an insolvency order that has been filed will be admitted for consideration, on a priority basis, even if it has a later date.
 - Debtors will likewise not have to file for insolvency while the state of emergency is in force if they have given notice to the competent court for insolvency proceedings that negotiations have been started with creditors to reach a refinancing agreement or an out-of-court settlement or to gain acceptance of an advanced proposal of a creditors' agreement, even though the time period referred to in article 5.5bis of Insolvency Law 22/2003, of 9 July 2003, has expired.
- ACELERA Plan. (Additional provision eight)
 - The government will arrange for the Acelera Programme for SMEs to commence immediately, through the public entity RED.ES, with the aim of implementing a set of initiatives in collaboration



Economic stimulus measures (continued) (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Other measures– Royal Decree-7 2020</p> <ul style="list-style-type: none"> – Measures to support the tourism industry: <ul style="list-style-type: none"> • Increase in the Thomas Cook financing line to assist companies incorporated in Spain within certain economic sectors (art. 12). <ul style="list-style-type: none"> • The budget item of the Ministry of Industry, Commerce and Tourism guaranteeing 50% of the debt drawn down from the ICO credit line will be raised from the initial EUR 100 million to EUR 200 million so as to cover the increased financing line up to EUR 400 million, adjusting the corresponding budgeted amounts in each year to these new limits. <p>Government launch of first package of 100 billion euros measure</p> <ul style="list-style-type: none"> – On 24 March, the Council of Ministers approved the first release of EUR 20 billion, expandable as consumed <ul style="list-style-type: none"> • Destination: to maintain liquidity in companies and face immediate expenses due to COVID-19, 50% of the package (10 billion euros) must be used for companies with less than 250 workers and for freelance employees. • Warranty: <ul style="list-style-type: none"> • Up to 80% of the loans that SMEs apply to banks. • Up to 70% in large companies. • Up to 60% in loan renewals that are due in the coming months. • Pre-crisis loans cannot be cancelled by banks. • The maximum maturity of the loan guarantee is 5 years, so the loans will not exceed that maturity. <ul style="list-style-type: none"> • Application deadline: 30 September 2020. • Interest rate: The banks will establish the interest rates of the loans. The cost of the guarantee: "it will be assumed by the entities" and will be between 20 and 120 basis points. • Eligibility: all companies and freelancers who were neither in default as of 31 December 2019 nor in bankruptcy procedure on 17 March 2020 may apply for credits with these guarantees. • Management: this line will be managed by the Instituto Oficial de Crédito (ICO), in collaboration with financial entities. • Request: through the financial entities with which the ICO has signed the corresponding collaboration agreements. • Retroactive effects on loans signed since 18 March apply. • ICO is preparing the collaboration agreement with the financial entities. 	<p>Guarantee of liquidity to sustain economic activity</p> <ul style="list-style-type: none"> – Measures in the area of public contracting to alleviate the consequences of COVID-19. (Art. 34) <ul style="list-style-type: none"> • Public contracts for ongoing utilities and services which can no longer be performed or are impossible to continue, as a result of COVID-19 or the measures adopted by the State, the autonomous regions or local authorities to combat the virus, will be automatically suspended from the moment their provision becomes impossible and until such time as they can be performed again. • When fulfilment of a public contract is suspended, the grantor must indemnify the contractor for the damage and loss effectively suffered during the suspension period, subject to an application and confirmation thereof. The compensation for damage and loss that may be paid to a contractor shall only include the following: <ul style="list-style-type: none"> • The salary costs of personnel that are assigned on 14 March 2020 to the normal performance of the contract, during the suspension period. • Costs of maintaining definitive guarantees, related to the contract suspension period. • Rental or maintenance costs of machinery directly allocated to the performance of the contract, provided that the contractor can provide evidence that these could not be used for any other purposes. • Expenses of insurance policies stipulated in the specifications and related to the purpose of the contracts entered into by the contractor and that were in force at the time the contract was suspended.

Other measures and sources (continued)

Suspension of the regime of liberalisation of certain foreign direct investments in Spain (Article 7 bis)

For the purposes of this article, all investments made by residents in countries that are not part of the European Union and the European Free Trade Association are considered foreign direct investments in Spain when the investor holds an interest of 10% or more of the share capital of a Spanish company or when as a result of a corporate transaction, legal act or transaction they effectively participate in the management or control of this company.

Suspension of the regime of liberalisation of foreign direct investments in Spain, in the following sectors:

Critical infrastructures: (energy, transport, water, healthcare, communications, media, data treatment or storage, aerospace, defence, electoral or financial industries, and sensitive facilities), as well as key land and real estate assets for the use of these infrastructures.

Critical technologies and dual-use goods, including artificial intelligence, robotics, semiconductors, quantum, nuclear, among others.

Supply of key inputs.

Sectors with access to sensitive information.

Furthermore, suspension of the regime of liberalisation of foreign direct investments in Spain, in other circumstances (e.g. an investor controlled by the government of a third country).

Moratorium of mortgage debt for the acquisition of the principal residence (Royal Decree-8 2020)

- Area of application of the moratorium of mortgage debt for the acquisition of the principal residence:
 - This will be applied to mortgage-backed loan agreements when the debtor is in a situation of economic vulnerability, as well as the guarantors of the main debtor
- Definition of situation of economic vulnerability.
 - The mortgager becomes unemployed or in the case of an entrepreneur or professional, suffers a substantial loss of income or substantial decline in their sales (in excess of 40%).
 - The total income of the members of the family unit in the month prior to the application for the moratorium do not exceed:
 - 3x the IPREM (Spanish Public Indicator of Multiple Effects Income) (increased for each dependent child and in single-parent families or for a family member with a disability).
 - The mortgage instalment, plus expenses and basic supplies is in excess or equal to 35% of the income of the family unit.
 - As a result of the health crisis, the family unit's economic circumstances have been significantly affected (the effort to meet the mortgage payment versus the family's income has been multiplied by at least 1.3)
- Application and granting of the moratorium of real estate mortgage debts.
 - Debtors may request from the creditor a moratorium in the payment of the mortgage-backed loan for the acquisition of their principal residence up until 15 days after this Royal Decree-law is no longer in effect,
 - Once the application for the moratorium has been made the creditor has a maximum period of 15 days for its implementation.
 - Once the moratorium has been granted the creditor shall notify Banco de España of its existence and duration for accounting purposes and that it has not been included in the calculation of the risk provisions.
 - Whilst in force neither the usual interest nor late-payment interest will be accrued.



Other measures and sources (continued)

Other measures– Royal Decree-10 2020 (Recoverable paid leave for workers employed by third parties who do not provide essential services)

- The priority of the regulation contained in this rule is to limit mobility as much as possible. And the sectors of activity whose workers are excluded from the compulsory enjoyment of the permit are justified by strict reasons of necessity.

Application (between March 30 and April 9, 2020)

- This royal decree-law will apply to all employees who provide services in companies or entities of the public or private sector and whose activity has not been halted as a result of the declaration of alarm status.
- However, the following are exempt from the scope of application:
- Workers who provide services in the sectors classified as essential in the annex to this royal decree-law.
 - Workers who provide services in the divisions or production lines whose activity corresponds to the sectors classified as essential in the annex (among others, health care services, production and supply chain related to essential goods, hospital services or production of health care products, restaurants with home delivery services, penitentiary services, the Army and its supply chain, delivery services related with online sales, for further detail or other groups
 - Workers hired by (i) those companies that have requested or are applying a temporary suspension employment regulation file and (ii) those who have been authorized a temporary suspension employment regulation file during the validity of the permit provided for in this royal decree-law.
 - Workers who are on sick leave due to temporary disability or whose contract is suspended for other legally established causes.
 - Workers who can continue to carry out their activity normally by teleworking or any of the non-contact modalities.



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Other measures and sources (continued) - *The Royal Decree 11/2020, from 31 March 2020, which introduces further urgent economic and social measures against COVID-19, comes into effect on 2 April 2020, the day after its publication in the Official State Gazette (BOE).*

Extension of deadlines to file an appeal or economic-administrative claims (eighth additional provision)

- For tax related purposes, from 14 March 2020 (date when Royal Decree 463/2020, declaring the state of emergency, came into effect) until 30 April 2020, the deadline to file an appeal or administrative claim – governed by either the LGT and its development regulations or the revised text of the Regulatory Law for Local Tax Authorities (TRLHL) – will begin on 30 April 2020 and will apply to:
 - Cases for which the appeal period of one month had started since the day after the notification of the act or contested resolution, and this period had not ended by 13 March 2020.
 - Cases for which the notification of the administrative act or resolution subject to an appeal or claim had not yet been communicated.

Non-computation of the deadline within which to execute resolutions of the economic-administrative courts from 14 March 2020 until 30 April 2020, and suspension of expiration and prescription periods from 14 March 2020 until 30 April 2020 (ninth additional provision)

- The Royal Decree-Law 8/2020 established that the period between the date it came into effect (18 March 2020) and 30 April 2020 will not count towards the maximum duration of the application procedures for taxes, sanctions and reviews undertaken by the National Tax Office (AEAT), nor towards the procedures initiated by the General Directorate of Cadastre.
- In reference to said period, RD-Law 11/2020 establishes:
 - The period from 14 March 2020 to 30 April 2020 does not count towards the allocated timeframe for the execution of the resolutions of the economic-administrative bodies.
 - The prescription and expiration periods of any actions and rights contemplated in the tax regulations are suspended from 14 March 2020 until 30 April 2020.
 - The aforementioned is applicable to the actions and procedures that are governed by established practice at the national, regional and local levels.
 - It is expressly recognized that the extensions of terms for the payment of tax debts included in the aforementioned article 33 of RDL 8/2020 apply to all other appeals of a public nature.

Exemption from the progressive fees of notarized AJD documents to the formalization deeds of contractual novations of loans and mortgages regulated in the first final provision of RDL 8/2020 (section nineteen of the first final provision).

- As stated in the first final provision of RD-Law 8/2020, it incorporated item 23 in article 45.I, B) of the Consolidated Text of the Tax Law on Property Transmissions and Documented Legal Acts (Royal Legislative Decree 1/1993, 24 September), declaring exempt from the progressive fees of notarized documents of type documented legal acts of this Tax to the deeds of formalization of the contractual novations of loans and mortgages that are produced under the aforementioned Royal Decree-Law.
- Section nineteen of the first final provision of RD-law 11/2020 adds a new item 28 to art. 45.I.B), clarifying that this exemption will only be applicable to cases relating to the moratorium on mortgage debt for the acquisition of a main residence (regulated in articles 7 to 16 of Royal Decree-Law 8/2020)



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Other measures and sources (continued) - Real Decreto-ley 11/2020, de 31 de marzo, por el que se adoptan medidas urgentes complementarias en el ámbito social y económico para hacer frente al COVID 19, con entrada en vigor, al día siguiente de su publicación en el BOE, esto es el 2 de abril de 2020.

Temporary suspension of certain payments by electricity and natural gas retailers, and by distributors of manufactured gas and liquefied petroleum gas (via pipeline) (art. 44.4 RDL 11/2020).

- Electricity and natural gas retailers and distributors of manufactured gases and liquefied petroleum gases by pipeline are exempt from payment of VAT, Special Electricity Tax (if applicable) and Special Hydrocarbon Tax corresponding to the invoices whose payment has been suspended, until the consumer has fully paid them, or six months have elapsed since the end of the state of emergency.

Provisional measures for the issuance of authorised electronic certificates (eleventh additional provision)

- During the state of emergency, the issuance of authorised electronic certificates will be permitted in accordance with the provisions in article 24.1.d) of Regulation (EU) 910/2014 of 23 July, regarding electronic identification. Their use will be limited exclusively to the contractual relationship between the owner and public administrations and will be revoked at the end of the state of emergency.

Main sources of information:

Spain: Tax relief measures responding to coronavirus (COVID-19) <https://home.kpmg/us/en/home/insights/2020/03/tnf-spain-tax-relief-coronavirus.html>

Real Decreto-ley 6/2020, de 10 de marzo, por el que se adoptan determinadas medidas urgentes en el ámbito económico y para la protección de la salud pública: <https://www.boe.es/buscar/act.php?id=BOE-A-2020-3434>

Real Decreto-ley 7/2020, de 12 de marzo, de medidas urgentes extraordinarias para hacer frente al impacto económico y social del COVID-19: <https://www.boe.es/boe/dias/2020/03/13/pdfs/BOE-A-2020-3580.pdf>

Real Decreto 463/2020, de 14 de marzo, por el que se declara el estado de alarma para la gestión de la situación de crisis sanitaria ocasionada por el COVID-19: <https://www.boe.es/buscar/doc.php?id=BOE-A-2020-3692>

Real Decreto-ley 8/2020, de 17 de marzo, de medidas urgentes extraordinarias para hacer frente al impacto económico y social del COVID-19: <https://www.boe.es/buscar/act.php?id=BOE-A-2020-3824>

Real Decreto 465/2020, de 17 de marzo, por el que se modifica el Real Decreto 463/2020 de 14 de marzo para la gestión de la situación de crisis sanitaria ocasionada por el COVID-19: <https://www.boe.es/boe/dias/2020/03/18/pdfs/BOE-A-2020-3828.pdf>

Real Decreto-ley 9/2020, de 27 de marzo, de medidas complementarias, en el ámbito laboral para paliar los efectos derivados del COVID-19: <https://www.boe.es/buscar/act.php?id=BOE-A-2020-4152>

Real Decreto-ley 10/2020, de 29 de marzo, por el que se regula un permiso retribuido recuperable para las personas trabajadoras por cuenta ajena que no presten servicios esenciales, con el fin de reducir la movilidad de la población en el contexto de la lucha contra el COVID-19: <https://www.boe.es/buscar/doc.php?id=BOE-A-2020-4166>

Real Decreto-ley 11/2020, de 31 de marzo, por el que se adoptan medidas urgentes complementarias en el ámbito social y económico para hacer frente al COVID-19: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2020-4208

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Updated

General Information

On 16 March 2020, the Swedish Government submitted a referral for a changed budget due to the Corona crisis. Parliament is expected to approve the proposal shortly.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Strengthen companies' liquidity through deferral of tax payments (Enacted)

- Companies' extension of payment includes tax payments for three months and can be granted up to 12 months. Postponement with payment of:
 - Preliminary tax payment on salaries,
 - VAT, (reported monthly, quarterly or on the annual basis from 27 December 2019 to 17 January 2021)
 - Employers' contribution for 3 months payments during Jan–Sep 2020. Postponement at longest for 12 months.
- Application to the Swedish tax Agency required. The following costs apply to the amount of postponed tax payment: non-deductible interest costs of 1.25% annually and non-deductible postponement fee of 0.3% per month. When compared to the external funding, this equals to a deductible interest cost of approx. 6.6% $(1.25 + [13 \times 0.3]) / 0.786$. If external interest is non-deductible, the calculation should be adjusted.

Increased provision to tax allocation reserve for individual entrepreneurs (proposed)

- 100% of the taxable profit for 2019 may be allocated to the tax allocation reserve (up to maximum of SEK 1 million), which can then be offset against possible future losses. This measure applies to individual entrepreneurs and individuals who are partners in Swedish partnership companies. It is supposed to increase liquidity, the company get back the preliminary tax they paid in 2019.

Reduced social security contributions

- Social security contributions to be reduced for certain entities and for certain employees (from 31.42% to 10.21%, only pension contribution will be payable). Should apply for the period March 1 -June 30, 2020 and for up to 30 employees and for salaries up to SEK 25,000 per month for each employee. The tax reduction is capped at SEK 5,300 per employee per month.
- Individual entrepreneurs are not required to pay any other fees than the old-age pension contribution and two-thirds of the other deductibles and the general salary contribution will be paid in 2020.

Tax measures – Individuals

Crisis package for jobs and transition for individuals. The following measures were presented by the Swedish Government on 30th March 2020:

- Temporary reinforcement of unemployment insurance. Temporarily relaxed requirements in terms of how much people need to have worked and how long people need to have been a member of a fund (3 months instead of 12). The highest and the lowest amounts paid out by an unemployment insurance fund be raised temporarily and the six initial qualifying days be removed.
- More active labourmarket policy. Increased funding paid to Arbetsförmedlingen (the Swedish public employment service) and labourmarket policy programs
- More places and more distance learning at higher education institution. Number of places to be increased and increased funding.
- More opportunities for vocational education and training throughout the country.
- Removal of income ceiling for student aid. Temporarily during 2020.



Updated

Employment-related measures

(e.g. compensation schemes, training...)

Temporary lay-offs

- The temporary lay-offs are aimed to save employments in Sweden. The employees will, during the temporary lay-offs, reduce their work hours but still receive more than 90 percent of the salary, with a cap up to SEK 44,000 per month. The Government will take on 75 percent of the cost for the employees' reduced work hours. The suggested measure will come into force on 7 April and will be applied from 16 March 2020 to 31 December 2020. The proposal means that the employer's salary costs can be reduced by half while the employee receives more than 90 percent of the salary.
- A requirement to be eligible for the allowance is that the company is in a temporary and serious financial situation due to the Covid-19 crisis. In connection to this the Swedish Finance Committee has argued that it cannot be considered justifiable for a company to receive this support to distribute any dividends or other payments. Furthermore, the Swedish Agency for Economic and Regional Growth states that it is seen as inappropriate for a company to be paying out large amounts in dividends and at the same time receive the support. We expect that further clarifications on this will be presented on 2nd April.
- The Swedish Agency for Economic and Regional Growth (Tillväxtverket) will be the government body responsible to process and decide on temporary lay-offs. To receive the support, an application must be submitted to the Agency. If rejected by the Agency, it will be possible to appeal the decision to the Administrative Court.

Proposed

- Adjusted rules for splitting of costs between the state and the employer when an employee reduces work time and salary.
- The Swedish state will assume the responsibility for payment of sick pay (Sw. sjuklön) during April and May.
- The state will pay a sickness benefit the first day of illness (Sw: Slopstkarensavdrag) between March 11 and May 31
- The proposal on short-term layoffs is based on a previous proposal on a new system of support in the event of short-time work, but the degree of subsidy has been significantly increased. Central government will cover three quarters of the costs when staff working hours are reduced, compared with short-time work where central government covers one third of the costs. This proposal means that employers' wage costs can be halved, while employees receive more than 90 per cent of their wage. The aim is for affected companies to be able to retain their staff and rapidly gear up again when the situation improves.



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As of 03 April 2020

Updated

Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

Increased lending to small and medium-sized companies via Almi (proposed)

- Almi Företagspartner receives a capital injection of SEK 3 billion to increase its lending to small and medium-sized companies throughout the country. To companies who's operations are adversely affected by the outbreak of covid-19.

Increased loan frame for The Swedish Export Credit (SEK) (enacted)

- The Swedish Export Credit (SEK) loan frame is increased from SEK 125 to 200 billion and can be used to issue both government-supported and commercial credits to Swedish export companies. These measures, together with the cancelled dividend announced on March 19, means that SEK is given additional conditions to meet the export industry's increased demand for credit.

The Central Bank of Sweden

- Lends SEK 500b to Swedish banks. The proposal means that the banks will in turn lend money to companies to secure the necessary credit supply lending via banks).
- The Central Bank of Sweden announced on 16 and 19 March that it will extend its purchases of securities during the year by up to SEK 300 billion. The purchases will if necessary include government and municipal bonds, covered bonds and securities issued by non-financial corporations.
 - Corporate bonds issued by non-financial corporations are eligible for a buy-out program

USD loans:

- The Riksbank will enable loans in US dollars against collateral to ensure a continued and adequate supply of one of the most important currencies for Swedish companies. An adequate supply of both Swedish kronor (SEK) and US dollars (USD) is important to mitigate the consequences for output and employment in the wake of the corona pandemic
- Requirements:
 - The Riksbank will offer loans in US dollars against collateral. The framework amount is USD 60 billion for the period 19 March 2020 up to and including 18 September 2020.
 - Riksbank monetary policy states that counterparties, no later than on the banking day before the auction, have registered to participate.
- Amended regulations for collateral:
 - The Riksbank has decided to remove limit rules for covered bonds. This is to enable counterparties to use significantly more covered bonds for credit at the Riksbank and help improve functionality on the market for covered bonds.

Extra resources for culture and sports (proposed)

- The cultural sector and the sports movement receive SEK 1 billion in extra support due to the economic consequences that affected the sectors as a result of the spread of the new corona virus. The proposal will help the cultural sector and sports organizations to tackle the costs associated with the virus.

Extra financial aid to municipalities and regions (proposed)

- The state will compensate municipalities and regions for extraordinary measures and additional costs in health care and care linked to the virus. The proposal will help municipalities and regions to tackle the costs associated with the virus.

Temporary discount for rental costs in exposed industries (proposed)

- In order to reduce the costs of companies with major difficulties due to the corona virus in certain sectors (e.g. hotels, restaurants and some other sectors), it is proposed that the government should bear up to 50 percent of agreed rental rebates. More information will follow.
 - The idea is that the aid can be applied for in retrospect and apply for the period 1 April -30 June.



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As of 03 April 2020

Updated

Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

Extended credit guarantees for The Swedish Export Credit Commission's (EKN) (proposed)

- The Swedish Export Credit Guarantee Agency's (EKN) ceiling for credit guarantees will be increased from SEK 450b to a total of SEK 500b, and the lower risk for banks will give companies new and improved credit opportunities.

Airline companies are given state credit guarantees (enacted)

- Airlines are given the opportunity to obtain credit guarantees worth a maximum of SEK 5 billion, of which SEK 1.5 billion is directed to SAS. The proposal will support Swedish airline companies to survive the crisis.

Government loan guarantee for small and medium sized companies (proposed)

- The proposal means that the state guarantees 70 per cent of new loans from the banks to companies that, due to the consequences of the new corona virus, have encountered financial difficulties, but otherwise are viable. The guarantee is issued to the banks, which in turn issue guaranteed loans to the companies. The loan guarantee is primarily aimed at small and medium-sized companies, but there is no formal limit on the size of the company to participate in the program.
 - The Debt Office (Riksgälden) will administer the guarantee and each company is proposed to borrow a maximum of SEK 75 million, but exceptions can be made. Companies can apply for a loan with a state credit guarantee by applying to a bank.

The Swedish Financial Supervisory Authority (FI) (enacted)

- have reduced the countercyclical capital buffer requirement for banks from 2.5 percent to 0 percent.
- Are temporarily allowing banks to underwrite the liquidity coverage ratio (LCR) for individual currencies and for total currencies.

Other measures and sources

Main sources of information:

Economic measures provided by the Swedish Government to alleviate the economic effects for companies due to the covid-19: <https://home.kpmg/se/sv/home/nyheter-rapporter/2020/03/tax-proposal-in-sweden-in-response-to-covid-19.html>

Economic measures in response to COVID-19: <https://www.government.se/articles/2020/03/economic-measures-in-response-to-covid-19/>

Riksbank lends up to SEK 500 billion to safeguard credit supply:: <https://www.riksbank.se/en-gb/press-and-published/notices-and-press-releases/press-releases/2020/riksbank-lends-up-to-sek-500-billion-to-safeguard-credit-supply/>



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As of 03 April 2020

General Information

On 20 and 25 March 2020, the Federal Council approved a package of measures worth CHF 32 billion to mitigate the economic impact of the spread of the coronavirus. Taking into account the measures decided on 13 March, more than CHF 40 billion is available. The aim of these measures, which are aimed at different target groups, is to safeguard jobs, guarantee wages and support the self-employed. Measures have also been taken in the field of culture and sport to prevent bankruptcies and to cushion the financial consequences. These new measures aim to avoid as far as possible cases of hardship and to provide, where necessary, targeted and rapid support to the persons and branches concerned by means of procedures that are as simple as possible from an administrative point of view.

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

Aid to undertakings in the form of liquidity

Liquidity reserve in the tax area and for suppliers to the Confederation: companies are able to postpone payment deadlines without interest on arrears. The interest rate is reduced to 0.0% for VAT, certain customs duties, special consumption taxes and incentive taxes between 20 March and 31 December 2020; and no default interest will be charged during this period. An identical regulation applies for direct federal tax invoices from March 1 to December 31, 2020 that become due within this period. Finally, the Federal Finance Administration has instructed the administrative units to check and settle creditors' invoices as quickly as possible, without waiting for payment deadlines to expire, in order to increase the liquidity of the Confederation's suppliers.

Additional measures relating to the Labor Act (Proposed)

- To benefit from tax payment deferrals, companies must file a written request in accordance with provisions of the VAT law, and this applies to all taxpayers including foreign companies with a Swiss tax representative. Requests to extend the payment deadline up to 3 months could be submitted
- The Swiss tax authority is currently prioritizing the review of requests for early payments of VAT credits and is aiming for fast payment settlement.
- There are currently no separate extensions to the deadlines for VAT refund procedures planned (i.e., the deadline concerning VAT incurred in the calendar year 2019 is still 30 June 2020).
- Finally, most of the cantons have also announced certain measures. In particular, most of the cantonal tax authorities have implemented certain measures in connection with the cantonal/communal taxes (e.g. extension of payment deadlines, waiving of late interests, postponement of filing deadline of the 2019 tax return, etc.).



Employment-related measures

(e.g. state compensation schemes, training...)

Aid to undertakings in the form of liquidity

- Deferral of social insurance contributions: Companies affected by the crisis are able to defer the payment of social insurance contributions temporarily. No late interest is levied on instalment payments until September 2020. An adjustment of the usual amount of advance payments made under these insurances in the event of a significant drop in the wage bill could be requested. Moreover, no payment reminders will be sent until June 2020. These measures also apply to self-employed persons whose turnover has dropped. Moreover, employers may temporarily use their accumulated employer contribution reserves to pay employer contributions to occupational pension funds.

Extension of short-time working and simplification of procedures

The instrument of reduced working hours (short-time working) makes it possible to compensate for a temporary drop in activity and to preserve jobs. Today's exceptional economic situation is also hitting hard at people who work for a limited period of time or on a temporary basis, at people in a position similar to that of an employer and at people who are doing an apprenticeship. For this reason, the entitlement to compensation for reduced working hours is extended, and is easier to apply for it.

- Short-time working may now also be granted to employees with a limited period of employment and to persons in the service of a temporary work organization.
- The loss of work is counted for persons who are in an apprenticeship.
- Short-time work may be granted to persons who occupy a position comparable to that of an employer. This includes, for example, partners in a limited liability company (e.g. GmbH) who work for remuneration in the company. Persons who work in the company of their spouse or registered partner can also benefit from short-time working and claim a lump-sum compensation of CHF 3,320 for a full-time position.
- The waiting period (waiting period) for entitlement to short-time working, which had already been shortened, is abolished. This means that the employer will not have to assume any loss of work.
- Employees will no longer have to compensate overtime before they can benefit from short-time working.

Compensation for loss of earnings for self-employed persons

- Self-employed persons who suffer a loss of earnings due to government measures to combat the coronavirus are compensated if they are not already receiving compensation or insurance benefits. Compensation is provided in the following cases:
 - closure of schools;
 - quarantine ordered by a doctor;
 - closure of an independently managed school open to the public.
- The regulations also apply to independent artists who have suffered a loss of earnings because their engagement has been cancelled due to coronavirus control measures or because they have had to cancel an independently organized event.
- Compensation is paid on the basis of the earnings loss allowance scheme and is paid in the form of per diems. These correspond to 80% of the salary and are capped at CHF 196 per day. The number of daily allowances for self-employed persons who are in quarantine or who assume managerial duties is limited to 10 and 30 days respectively. Claims are examined and the benefit paid out by the Old Age and Survivors Insurance (AVS) compensation funds.

Earnings Loss Allowances for Employees

Parents who have to interrupt their professional activity to take care of their children are entitled to compensation. The same applies in the case of interruption of work due to a quarantine ordered by a doctor. As for self-employed persons, compensation is paid on the basis of the system of loss of earnings allowances (loss of earnings allowances for service and maternity) and paid in the form of daily allowances. These correspond to 80% of salary and are capped at CHF 196 per day. The number of daily allowances is limited to 10 for persons in quarantine.

Additional measures relating to the Labor Act

- Hospitals and clinics, in particular, are under great strain in the current situation. It is impossible for them to employ their staff in compliance with all legal provisions given their extraordinary workload and limited staff numbers. They are allowed the greatest possible flexibility in terms of working hours and rest periods. The priority remains, however, to ensure sufficient protection for medical and nursing staff, care assistants and all other persons involved, who contribute with their valuable commitment to the management of this exceptional situation.



Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

Aid to undertakings in the form of liquidity

- Affected by company closures and falling demand, many companies have less and less cash to cover their running costs, despite compensation for reduced working hours. A package of additional measures has therefore been adopted to prevent otherwise solvent companies from finding themselves in difficulty.
- Immediate assistance in the form of specific transitional credits: the Confederation has set up a guarantee program with a volume of CHF 20 billion to ensure that affected SMEs (sole proprietorships, partnerships and legal entities) obtain transitional bank credits. This program is based on the existing structures of the guarantee organizations. Therefore, requests for such credits can be made by the Swiss bank where the requestor has its bank account since 26 March 2020. The credits have a term of 5 – 7 years. The aim is that the companies with less than CHF 500 million turnover in 2019 concerned are able to access credits of up to 10% of their turnover or up to CHF 20 million quickly and simply. Amounts up to CHF 0.5 million are paid out immediately by the banks. These credits are issued interest-free, but are subject to an annual amendment based on the market developments and are fully covered by the federal guarantee. For amounts exceeding this ceiling, the guarantee is reduced to 85%, which is therefore subject to a brief review by the banks. An interest of 0.5% is charged on those credits. Amounts up to CHF 0.5 million should cover the needs of more than 90% of the companies affected by the consequences of the coronavirus epidemic.
- Suspension of debt collection and bankruptcy proceedings under the Federal Debt Enforcement and Bankruptcy Act (DEBA): Until 19 April 2020 inclusive, debtors cannot be prosecuted throughout Switzerland
- **Culture: CHF 280 million released for immediate assistance and cancellation compensation.**
- The Federal Council wants to prevent lasting damage to Switzerland's cultural landscape and to maintain the country's cultural diversity. Immediate aid and compensation should help to alleviate the economic consequences of the ban on events for the cultural world (performing arts, design, film, visual arts, literature, music and museums). An initial tranche of CHF 280 million is made available for two months. During these two months, the Confederation will discuss developments with the cantons and cultural organizations. The following measures are planned:
 - Firstly, the Confederation provides financial means to provide immediate assistance to cultural enterprises and artists: non-profit cultural enterprises (e.g. foundations) facing liquidity problems are able to obtain interest-free repayable loans. Artists, for their part, may apply for non-repayable emergency aid for their immediate vital needs, provided that these are not covered by the new allowances paid on the basis of the allowance for loss of earnings scheme. The cantons (in the case of cultural enterprises) and the association Suisseculture Sociale (in the case of artists) are responsible for implementing this measure.
 - Secondly, cultural enterprises and artists may claim compensation from the cantons for financial loss caused in particular by the cancellation or postponement of events or the closure of establishments. This compensation covers a maximum of 80% of the damage; the Confederation pays half of the compensation granted by the cantons.
 - Thirdly, amateur music and theatre companies may be financially supported in covering the costs of cancelling or postponing events.

Tourism and regional policy

- Emergency measures have already been implemented as early as February 2020 under the tourism promotion instruments. These were mainly information and advisory activities as well as measures to overcome liquidity shortages. The Confederation is strengthening its support by waiving the repayment of the outstanding balance of the additional loan granted to the Swiss Hotel Credit Corporation (SCH), which expired at the end of 2019. The SCH thus has an additional CHF 5.5 million at its disposal for loans to retroactively finance the investments of the accommodation facilities, which the latter have financed through their cash flow over the past two years.
- Within the framework of regional policy, federal loans for projects (60% of which are in the tourism sector) currently amount to around CHF 530 million. By law, the management of these loans is delegated to the cantons. In order to make more liquidity available to borrowers, the Confederation allows the cantons greater flexibility in managing the possibilities of deferring payments. This should help the ropeway sector in particular in the short term, where repayments often fall due after the winter season.



Other measures and sources

CHF 100 million for sports organizations

- Due to the cancellation of amateur or professional sports competitions and championships, the survival of sports clubs and associations as well as organizers of sporting events is at stake. In order to prevent the structures of the Swiss sports world from being undermined, the Federal Council is making the following financial assistance available:
 - CHF 50 million in repayable loans to enable organizations that are active in a Swiss league and focus primarily on professional sport or that organize professional sports competitions to overcome liquidity shortages ;
 - CHF 50 million in subsidies for voluntary organizations promoting mainly grassroots sport that are threatened in their existence.
- This support is linked to the obligation for leagues and federations to take measures to ensure their liquidity levels in the event of a crisis. This obligation is enshrined in the performance agreement that the Confederation concludes annually with Swiss Olympic.
- In addition, this ordinance, which is valid for a maximum of six months, allows for the flexible handling of interruptions to training and further training within the framework of the Youth & Sport and Adult Sport programs. These provisions also apply to the training courses provided by the Swiss Federal Institute of Sport in Magglingen.

Main sources of information

- COVID-19 landing page of KPMG Switzerland: <https://home.kpmg/ch/en/home/insights/2020/03/coronavirus-business-continuity-plan.html>
- Switzerland: Tax measures in response to coronavirus (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-switzerland-tax-measures-response-coronavirus.html>
- The Federal Council of Switzerland <https://www.admin.ch/gov/en/start.html>



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As of 03 April 2020

General Information

18 March 2020 President of Ukraine Volodymyr Zelensky has signed the law "On Amending Certain Legislative Acts of Ukraine aimed at Preventing the Occurrence and Spread of Coronavirus Disease (COVID-19)"

24 March 2020 President of Ukraine Volodymyr Zelensky, at a meeting with newly appointed Ambassador of the People's Republic of China to Ukraine Fan Xianrong, asked the Chinese government to provide Ukraine with additional assistance to combat the spread of COVID-19 coronavirus: test systems, medical equipment and medicines are needed.

25 March 2020 quarantine is extended till 24 April 2020 and the extraordinary case was announced

28 March 2020: Ukraine closes the borders and bans all the cross-boarder transport communications

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Simplified fines and penalties accrual:

For the period from 1 March till 31 May 2020:

— Penalties for violation of tax legislation shall not be applied except for violations regarding:

- VAT, excise tax, rental payments;
- production of ethanol and fuel;
- alienation of property in the pledge

— No penalties accrued for violation of tax legislation. Accrued but unpaid penalties for this period are subject to write off.

For the period from 1 March till 30 April 2020:

— Penalties do not apply for late filing and late payment of single social tax;

— Single social tax payers are not charged a penalty. Already accrued penalties are subject to write-off.

Simplification of accrual and payment of taxes and fees

For the period from 1 March till 30 April 2020:

— There is no charge for land (land tax and rent for state and communal property) used in business.

— No tax charges for non-residential real estate owned by persons and businesses.

— Individual entrepreneurs, persons pursuing independent professional activity and members of the farm are exempt from the payment and payment of the single social tax for themselves.

Simplified tax audits

For the period from March, 18 till May, 31 2020:

- A moratorium on documentary and factual audits has been established, with the exception of audit of budgetary VAT refunds. Tax audits scheduled to begin during this period will be postponed.
- Current tax audits will be suspended until May 31, 2020

For the period from 18 March till 18 May 2020:

- A moratorium on documentary checks on the correctness of the single social tax calculation has been established

Land and property taxes

- Charges for April 2020 were cancelled
- Deadline for payments for the March 2020 was delayed till June, 30 2020

Corporate income tax

- Taxpayers become exempt from the application of tax differences on the amount of money or value of goods, provided free of charge to public associations and / or charitable organizations and / or relevant public authorities and / or public health institutions and / or communal property (and other sites) which operate to prevent the spread of coronavirus disease in Ukraine (COVID-19)

VAT

- Added a rule on exemption from VAT of operations on the supply in the customs territory of goods (including medicines, medical devices and / or medical equipment) necessary for the implementation of measures aimed at preventing the occurrence and spread, of coronavirus diseases (COVID-19), the list of which has been determined by the Cabinet of Ministers of Ukraine

Excise tax

- From May 31, 2020, the excise tax is charged at the rate of 0 UAH per 1 liter of 100% ethyl alcohol used for the production of disinfectants. During the same period, permission was granted for the shipment of alcohol to manufacturers of medicinal products and manufacturers of chemical and technical products for the production of disinfectants

Main sources of information:

- Ukraine: Tax relief measures, responding to coronavirus (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tmf-ukraine-tax-relief-measures-coronavirus.html>



Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> – A set of legal norms aimed at protecting the rights of individuals and legal entities during quarantine and restrictive measures related to the spread of coronavirus disease (COVID-19), namely: the possibility of working at home for employees, government employees and employees of local governments and providing vacation by agreement; granting the right to owners to change the operating modes of bodies, institutions, enterprises, organizations, in particular, receiving and servicing individuals and legal entities with mandatory informing the population about this through websites and other communication tools; a ban on the cancellation of a certificate of registration of an internally displaced person (for the quarantine period and 30 days after its cancellation); attribution of the legal fact of quarantine introduction to force majeure circumstances; extension of terms for receiving and providing administrative and other services; a ban on the conduct of state supervision (control) of planned measures for the implementation of state supervision in the field of economic activity. – The law includes an instruction to the government to establish additional weekly wage supplements to medical and other workers directly involved in the elimination of coronavirus infection (COVID-19) in the amount of up to 200% of wages for the period of implementation of measures to prevent the occurrence and spread of the disease, until the completion of these activities, as well as additional payments to certain categories of workers, providing the main areas of life; – From 1 April 2020, the government will be ready to pay additional UAH 1,000 (\$35) to those having a pension of less than UAH 5,000 (\$180), from 1 May 2020, pensions will be indexed. – On 30 March 2019 government of Ukraine approved law which introduce the concept of a remote work and compensation to the employees who lost their work due to the coronavirus infection – Deadlines for the preparation of personal tax returns was extended till July, 1 2020 	<ul style="list-style-type: none"> – The law forbids the banks from charging any penalties, fines, increased interest rates on consumer loans – Implementation of the law on mandatory installation of cash registers for businesses is postponed for three months till January 1, 2021 – Until June 30, 2020, it is prohibited to carry out state supervision (control) on the economic activity (except for the supervision of high-risk entities, in the area of compliance with the requirements of establishment of state regulated prices and sanitary issues) and epidemic well-being). – Limits for single tax payers raised 	<ul style="list-style-type: none"> – The changes also affect the Criminal Code of Ukraine. It is supposed to introduce administrative responsibility for the unauthorized abandonment of the place of observation or quarantine by a person who may be infected with a coronavirus, as well as increasing criminal liability for violation of sanitary rules and norms for the prevention of infectious diseases. Establishment of administrative responsibility for non-disclosure of information on public procurements carried out under this law. – Article 325 of the Criminal Code of Ukraine is interpreted in such a way that a penalty of 1,000 to 3,000 tax-free minimum incomes of citizens will be imposed for violation of the rules and norms established with the aim of preventing epidemic and infectious diseases, as well as mass non-communicable diseases, arrest for a period of six months, restriction or imprisonment for three years, if such actions led or could lead to the spread of the disease. COVID-19 coronavirus will be added to the list of such diseases. – Exemption from liability for late filing and disclosure of financial statements (including consolidated and audited reports) if such report is filed and made public within the quarantine or 90 calendar days from the day following the end of such quarantine, but no later than 31 December 2020



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As of 03 April 2020

General Information

The Chancellor has set out a £12 billion package of temporary, timely and targeted measures to support public services, individuals and businesses through the economic disruption caused by COVID-19. The government continues to work closely with the Bank of England and international partners and has announced a three-point plan at the Budget:

- To support Public Services (NHS in particular)
- To support People affected by COVID-19
- To support businesses experiencing increases in costs or financial disruptions

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Tax-related support for businesses (only certain sectors as of 19 March):

The government will increase the Business Rates retail (*) discount to 100% for one year and expand it to the leisure and hospitality sectors, and increase the planned rates discount for pubs to £5,000. Taken together with existing small business rate relief (which provides full relief for businesses using a single property with a rateable value of £12,000 or less), an estimated 900,000 properties, or 45% of all properties in England, will receive 100% business rates relief in 2020/21:

- Businesses that received the retail discount in 2019-20 will be rebilled by their local authority as soon as possible
 - Those businesses eligible for the newly expanded retail discount and/or the new pubs discount may need to apply to their local authority to receive the discount
 - Any enquiries on eligibility for, or provision of, the reliefs should be directed to the relevant local authority

() Business Rates retail are charged on most non-domestic properties, like shops, offices, pubs, warehouses, factories, holiday rental homes or guest houses. Business rates may need to be paid if a building or part of a building is used for non-domestic purposes*

- 12-month business rates holiday for all retail, hospitality and leisure businesses in England and Scotland for the 2020 to 2021 tax year.
- In Northern Ireland no rates will be charged for April-June 2020 for all business ratepayers excluding public sector & utilities.
- There are also reliefs in Wales for retail, leisure and hospitality businesses.
- Businesses may also be able to request Hardship Relief via their local authority.

Supporting small businesses through lower tax rates

- The government will provide an additional £2.2 billion funding for local authorities to support small businesses that already pay little or no Business Rates because of Small Business Rate Relief (SBRR). This will provide a one-off grant of £3,000 to around 700,000 business currently eligible for SBRR or Rural Rate Relief, to help meet their ongoing business costs. For a property with a rateable value of £12,000, this is one quarter of their rateable value, or comparable to 3 months of rent.

HMRC's Time To Pay service

- All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities. These businesses can contact HMRC's new dedicated COVID-19 helpline from 11 March 2020 for advice and support. To ensure ongoing support, HMRC have made a further 2,000 experienced call handlers available to support firms and individuals when needed. Those concerned about being able to pay tax due to COVID-19, can call HMRC's dedicated helpline on 0800 0159 559.

Other tax measures

- Businesses can defer VAT payments which would have been due between 20 March and 30 June 2020 until 31 March 2021.
- Self-employed individuals with income tax payments due in July 2020 under the Self-Assessment system can defer payment until January 2021.
- 3 month deferrals have been agreed through this process during last week

Employment-related measures

(e.g. state compensation schemes, training...)

Available measures to support people not employed by corporations to support the Economy

Statutory sick pay

Statutory Sick Pay (SSP) will now be available for eligible individuals diagnosed with COVID-19 or those who are unable to work because they are self-isolating in line with Government advice. This is in addition to the change announced by the Prime Minister that SSP will be payable from day 1 instead of day 4 for affected individuals.

- Businesses with less than 250 employees can obtain a refund from the Government for Statutory Sick Pay paid for up to 2 weeks' absence due to COVID-19. This also covers absence due to self-isolating in line with Government advice.
- Employers will need to consider keeping records of staff absences for purposes of refund claims; there will be no need for employees to provide a doctor's note.
- Those who are not eligible for SSP, for example the self-employed or people earning below the Lower Earnings Limit of £118 per week, can now more easily make a claim for Universal Credit or Contributory Employment and Support Allowance:
- For the duration of the outbreak, the requirements of the Universal Credit Minimum Income Floor will be temporarily relaxed for those who have COVID-19 or are self-isolating according to government advice, ensuring self-employed claimants will receive support.
- People will be able to claim Universal Credit and access advance payments upfront without the current requirement to attend a job-center if they are advised to self-isolate.
- Contributory Employment and Support Allowance will be payable, at a rate of £73 a week if you are over 25, for eligible people affected by COVID-19 or self-isolating in line with advice from Day 1 of sickness, rather than Day 8.

Available measures to support people employed by corporations

The government will bring forward legislation to allow small- and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. The eligibility criteria for the scheme will be as follows:

- This refund will cover up to two weeks' SSP per eligible employee who has been off work because of COVID-19
- Employers with fewer than 250 employees will be eligible. The size of an employer will be determined by the number of people they employed as of 28 February 2020
- Employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
- Employers should maintain records of staff absences, but employees will not need to provide a GP fit note
- The eligible period for the scheme will commence the day after the regulations on the extension of Statutory Sick Pay to self-isolators comes into force
- The government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible. Existing systems are not designed to facilitate employer refunds for SSP

HMRC's Time To Pay service

- Under the Coronavirus Job Retention Scheme, HMRC will reimburse 80% of 'furloughed workers' wage costs, up to a cap of £2,500 per month. Employers can choose to top up this amount.
- To access the scheme employers need to (i) designate affected employees as 'furloughed workers,' and notify employees of this change; and (ii) submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (details to follow)
- Changing the status of employees remains subject to existing employment law and may be subject to negotiation.
- HMRC are working urgently to set up a system for reimbursement and intend to start payments in April.



Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<p>Temporary loan program</p> <ul style="list-style-type: none"> – Under the Coronavirus Business Interruption Loan Scheme (CBILS) UK businesses with annual turnover of no more than £45 million can borrow up to £5 million interest-free for 12 months under a British Business Bank (BBB) scheme where the government provides the lender with a guarantee for 80% of each loan (subject to a per-lender cap on claims) and covers the cost of the first 12 months of interest. – The scheme will launch during the w/c 23 March 2020. – Businesses should speak to their existing bank lender(s) if they wish to access CBILS. <p>Business rates reliefs and grant funding from local authorities</p> <ul style="list-style-type: none"> – Business rates would temporarily be “scrapped” for certain business premises with a rateable value of less than £51,000. The government has gone further and introduced a 12-month business rates holiday for all retail, hospitality, and leisure businesses in England for the 2020 to 2021 tax year. In addition, a £25,000 local authority grant would be provided to retail, hospitality, and leisure businesses operating from “smaller premises” with a rateable value between £15,000 and £51,000. – Businesses in receipt of small business rate relief (SBRR) or rural rate relief will be entitled to a £10,000 local authority small business grant. – Businesses eligible for SBRR or rural rate relief will be contacted by the local authority—there is no need to apply. – Scotland & Wales have announced similar grant schemes. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – United Kingdom: Tax relief to support SMEs, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-uk-tax-relief-support-smes-coronavirus.html – UK Government: https://www.gov.uk/ – Bank of England: Measures to respond to the economic shock from COVID-19: https://www.bankofengland.co.uk/news/2020/march/boe-measures-to-respond-to-the-economic-shock-from-covid-19



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As of 03 April 2020

General Information

The measures announced on 22 March 2020 amount to a further AUS \$66.1 billion in federal government support, bringing the total over the last two weeks to approximately AUS \$189 billion, including the fiscal measures announced on 12 March 2020 and various financial liquidity support measures (including those of the Reserve Bank of Australia)—about 10% of GDP

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Tax relief measures

- The tax relief measures include tax-free withdrawals from superannuation funds. The package includes one-off stimulus payments to individual taxpayers, to be made through the social security system.
- For businesses and non-profits, there are to be tax-free payments made to certain employers (to support small and medium-size businesses). The payment would be delivered as a credit in the business activity statement system.
- To accelerate business investment, the tax depreciation write-off rules are significantly expanded with an increased instant asset write-off for immediate deductions of certain asset purchases and a 50% accelerated depreciation deduction in addition to the existing depreciation deduction for certain eligible asset purchases.

Payroll Tax

- **Tasmania** announced a waiver of payroll tax for the last four months of this financial year for hospitality, tourism and seafood industry businesses; a waiver of payroll tax payments for the remaining three months from March to June 2020 for other small to medium businesses with an annual payroll of up to \$5 million in Australian wages based on the immediate impact of the virus on their businesses
- **New South Wales** announced AU\$450 million for the waiver of payroll tax for businesses with payrolls of up to AU\$10 million for three months (the rest of 2019-20); and AU\$56 million to bring forward the next round of payroll tax cuts by raising the threshold limit to AU\$1 million in 2020-21
- **Western Australia** announced that Small businesses that pay payroll tax will receive a one-off grant of \$17,500; AU\$1 million payroll tax threshold brought forward by six months to July 1, 2020; and payroll tax payments deferral until July 21, 2020 for businesses impacted by COVID-19

Business tax measures

- The Federal Government is allowing individuals affected by the economic impacts of COVID-19 to access up to \$10,000 of their superannuation savings in 2019-20 and a further \$10,000 in 2020-21 (\$20,000 in total). Individuals will not need to pay tax on amounts released, and the money they withdraw will not affect Centrelink or Veterans' Affairs payments
- The temporary Boosting Cash Flow for Employers is an initiative with a significantly expanded support measures for small and medium sized businesses to manage cash flow and retain employees. The support payments will also extend to not-for-profit employers (including charities).
- To accelerate business investment, the Government has significantly expanded the tax depreciation write-off rules. Two key temporary business investment measures have been announced in the stimulus package:
 - **Increasing the instant asset write-off:** Eligible businesses will be able to immediately deduct purchases of eligible assets costing less than \$150,000. Access to the instant asset write-off will be expanded to include all businesses with aggregated turnover of less than \$500 million (up from \$50 million) until 30 June 2020. The asset threshold applies on a per asset basis, which would enable businesses to immediately write-off multiple assets. The benefit will also apply to both new and second hand assets first used or installed ready for use in this timeframe
 - **Business investment incentive:** A temporary business investment allowance for businesses with aggregated turnover below \$500 million purchasing certain new depreciable assets acquired after 12 March 2020 and first used or installed by 30 June 2021. This measure will allow a 50 per cent accelerated depreciation deduction in addition to the existing depreciation deduction. Eligible assets include those depreciable under Division 40 of the Income Tax Assessment Act 1997. It does not apply to second hand Division 40 assets, or buildings and other capital works depreciable under Division 43.

Tax measures – Direct and Indirect (continued)

(e.g. payment deferrals, rate reductions...)

Filing/Payment Deadline Extension

The ATO announced a series of administrative relief measures, including:

- Deferring by up to four months the payment date of amounts due through the business activity statement (including “pay as you go” (PAYG) instalments), income tax assessments, fringe benefits tax assessments and excise.
- Allowing businesses on a quarterly reporting cycle to opt into monthly goods and services tax (GST) reporting in order to get quicker access to GST refunds to which they may be entitled.
- Allowing businesses to vary PAYG instalment amounts to zero for the April 2020 quarter. Businesses that vary their PAYG instalment to zero will also be permitted to claim a refund for any instalments made for the September 2019 and December 2019 quarters.
- Remitting any interest and penalties, incurred on or after January 23, 2020, that have been applied to tax liabilities.
- Working with affected businesses to help them pay their existing and ongoing tax liabilities by allowing them to enter into low interest payment plans.
- In Queensland, applications are open for a deferral of tax payment for SMEs until 31 July 2020. In addition, a business impact survey was implemented. Mentoring support (50 mentors available) and financial workshops are being delivered in several locations in Queensland to support SMEs, with an emphasis on local business communities. Sectorial support targeting tourism operators and the commercial fishing industry has also been announced in the state. Queensland offers AUD 500 million in interest free loans.
- Victoria announced a package of AUD 1.7 billion for business

Australia’s government on 23 March 2020 introduced legislative packages to implement measures announced in tranches 1 and 2 of the economic response to the coronavirus (COVID-19) pandemic.

The tax measures included in the “Coronavirus Economic Response Package Omnibus Bill 2020” propose to:

- Increase the cost threshold below which small business entities can access an immediate deduction for depreciating assets and certain related expenditure (instant asset write-off) from \$30,000 to \$150,000—from 12 March 2020 to 30 June 2020
- Provide access to an instant asset write-off for entities with an aggregated turnover of \$10 million or more, but less than \$500 million (up from the existing cap of \$50 million)
- Make the instant asset write-off available for depreciating assets and certain related expenditure costing less than \$150,000—from 12 March 2020 to 30 June 2020
- Temporarily allow businesses with aggregated turnover of less than \$500 million in an income year to deduct depreciation expenses at an accelerated rate subject to certain conditions
- Establish legislative authority for government spending on new measures to assist employers to retain apprentices and trainees and to provide financial assistance to participants in the Australian aviation sector
- Allow individuals affected by the adverse economic effects of the coronavirus to have up to \$10,000 released from their superannuation or retirement savings account on compassionate grounds
- Increase the low-income threshold for individuals and families (including the dependent child-student component of the family threshold)

Another package—the “Boosting Cash Flow for Employers (Coronavirus Economic Response Package) Bill 2020”—proposes to provide that the Commissioner of Taxation make cash-flow “boost payments” to eligible entities.

Tranche 2

The government announced further economic support measures on 22 March 2020 to further its tranche 1 stimulus package and the action taken by the Reserve Bank of Australia. The measures are designed to “cushion the economic impact of the coronavirus” and provide minimum payments for eligible small and medium-sized businesses, and not-for-profits (including charities) that employ people.

Furthermore, Australian banks announced support for SMEs through a six month break in loan repayments

Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

Changes to drawdown rates

- The Government is temporarily reducing superannuation minimum drawdown requirements for account-based pensions and similar products by 50 per cent for the 2019-20 and 2020-21 income years.
- This measure is intended to provide retirees with greater flexibility in how they manage their superannuation savings.

Restructuring

- The key features of the Federal Government's insolvency-related package are:
 - A temporary increase in the threshold at which creditors can issue a statutory demand on a company, and the time companies have to respond to statutory demands they receive;
 - A temporary increase in the threshold for a creditor to initiate bankruptcy proceedings, an increase in the time period for debtors to respond to a bankruptcy notice, and extending the period of protection a debtor receives after making a declaration of intention to present a debtor's petition
 - Temporary relief for directors from any personal liability for trading while insolvent; and
 - Providing temporary flexibility in the Corporations Act 2001 to provide targeted relief for companies from provisions of the Act to deal with unforeseen events that arise as a result of the Coronavirus health crisis.
- Providing more scope to respond to creditors
 - A creditor issuing a statutory demand on a company is a common way for a company to enter liquidation. The Federal Government is temporarily increasing the current minimum threshold for creditors issuing a statutory demand from \$2,000 to \$20,000. This will apply for six months.
 - The statutory timeframe for a company to respond to a statutory demand will be extended temporarily from 21 days to six months. This will apply for six months.
 - The time a debtor has to respond to a bankruptcy notice will be temporarily increased from 21 days to six months.
- Temporary relief from directors' personal liability
- Directors are personally liable if a company trades while insolvent. Through this temporary personal liability relief, the Government is aiming to:
 - Stop directors of companies, that would be ordinarily viable save for COVID-19, from electing to enter into insolvency due to the personal consequences from trading whilst insolvent;
 - Enable directors to increase their focus on managing companies through the COVID-19 crisis as opposed to be concerned by the implications for their own personal positions;
 - Avoid a situation whereby there are insolvencies en-masse in a short space of time which, due to the sheer number of the companies in insolvency, may dilute the ability of companies to be rehabilitated. In this situation, assets may not be saleable given the sheer volume of insolvencies so may be realized for minimal value or parked away.

Agribusiness

- The Federal Government's second announcement of economic stimulus measures has a distinct focus on supporting individuals, families and small-medium enterprises to continue to function business-as-usual wherever possible.
- In addition to those provisions already made in Tranche 1, the Tranche 2 announcements will particularly benefit recipients of the Farm Household Allowance, small-medium sized agribusinesses and employers of apprentices and trainees (important for various downstream food processing and manufacturing sectors).
- This announcement also reinforces support offered by other institutions and regulatory bodies, such as Guarantee Schemes and access to, and reduced cost of, credit.



Other measures and sources

Main sources of information

Australia: Legislative economic stimulus packages, include tax relief (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-australia-legislative-economic-stimulus-packages-tax-relief-covid-19.html>

Australia: Tax relief measures included in economic stimulus package (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-australia-tax-relief-measures-included-in-economic-stimulus-package-covid-19.html>

Australian Government, The Treasury: <https://treasury.gov.au/coronavirus>

Prime Minister Of Australia: <https://www.pm.gov.au/media/economic-stimulus-package>

Queensland and Australian Governments: <https://www.business.qld.gov.au/>

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As of 03 April 2020

General Information

- **On March 13th:** the Chinese central bank, which unblocked extensions or renewals of loans to companies at the end of February, announced a reduction in the banks' mandatory reserve ratio, freeing up 550 billion Yuan (70.6 billion euros) to support the economy. The People's Daily announced on its front page "the reopening of 79% of major construction sites" in China.
 - **On March 12th:** NDRC published a circular encouraging the resumption of activities by foreign companies. The circular asks the relevant local authorities to make regular visits to foreign companies and monitor their projects in order to assess their situation (activities, production, investments).
 - **On 19 March,** the government announced a package to support the digitalization of SMEs in the context of the crisis.
- In addition, a wide range of policy measures have been announced for SMEs at the regional level in China. These include deferred tax payments for SMEs, reducing rent, waiving of administrative fees, subsidizing R&D costs for SMEs, social insurance subsidies, subsidies for training and purchasing teleworking services, and lowering lending rates. Furthermore, banks are being granted extra funding to spur SME loans.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Customs/Import and Other Miscellaneous Taxes

- Announcement No. 6 clarifies that imported supplies, donated by domestic and foreign donors and used for prevention and control of the epidemic, can be exempted from import duties, import VAT, and import consumption tax. This relief is valid from January 1 to March 31, 2020. In addition, the preferential treatment also applies to supplies imported by the health administration for the outbreak, even though the supplies are not donated. Tax refunds can be obtained for qualified supplies for which taxes have already been paid.
- Circular 19 extends the February 2020 statutory tax filing deadline to February 24, 2020. This can be further extended by local tax authorities where the outbreak is identified as serious (such as in Hubei province). Affected taxpayers and withholding agents can apply for further extension. Circular 19 also encourages local tax authorities and taxpayers to deal with tax matters online or via mobile application.

Personal income tax

Announcements Nos. 9 and 10 provide the following tax relief measures:

- An individual income tax exemption on receipt of the following types of income: (1) temporary subsidy and bonus received by medical and epidemic prevention staff engaged in prevention and control activities, that are in accordance with prescribed standards of local government authorities; and (2) medicines, medical supplies, protective equipment and other benefit-in-kind, excluding cash, provided by employers to their employees for prevention of COVID-19.
- Full tax deductibility of the following types of donations made by individuals: (1) donations in cash or in kind, made by individuals through non-profit social organizations or governmental authorities at the county level or above or their subordinate departments; and (2) donations in kind, made directly by individuals to designated hospitals undertaking the tasks of the prevention and treatment of COVID-19.

Payroll tax

- China's Ministry of Human Resources and Social Security issued guidance (Announcement No. 7), which provides measures for local social security bureaus and allows enterprises to make catch-up employer social security contributions within a period of three months following containment of COVID-19 outbreak without adversely affecting employee rights to social security benefits.
- In addition, certain local authorities have introduced policies in the respective city/province in order to support local enterprises during the outbreak. These included deferring adjustments to social security contribution base, adjusting employer contribution rate for certain social security plans, extending payment of employer social security contributions, and relaxing the restrictions on applying for refunds of unemployment insurance.

Fiscal policy

- The Ministry of Finance is allowing local governments to retain 5% more tax revenue from March to June 2020, which is estimated to increase total local revenue by RMB 110 Billion (\$16 billion). Local governments have also issued RMB 1.2 trillion in bonds, more than 66% of their quota allocated for 2020



Employment-related measures (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)
<p>Labor Policy</p> <ul style="list-style-type: none"> – The finance ministry cut social insurance payments by RMB 1 trillion to incentivize companies to retain employees. In late January the ministry announced that workers' compensation would be subsidized for infected medical workers, and local finance departments rolled out daily stipends for them. <p>Trade restrictions</p> <ul style="list-style-type: none"> – In China's major cities (Beijing / Shanghai / Guangdong), companies that are found to be in temporary difficulties owing to the coronavirus outbreak and do not lay off employees or minimize the layoffs can get a refund of unemployment insurance premiums. – In Guangdong province, China's manufacturing heartland, over 6.08 million migrant workers had returned to work, which represents around a third of the overall migrant worker population in the province. 	<p>The People's Bank Of China, 3rd of February, 2020</p> <ul style="list-style-type: none"> – Launched 1.2 trillion Yuan of the public market reverse repurchase operation on February 3rd: Maintain the liquidity of the banking system in the special period of epidemic prevention and control, meet the reasonable financing needs of the market, reduce the reverse repurchase rate by 10 basis points, and provide targeted low-cost special re-loan fund. <p>The People's Bank Of China 10th of February, 2020</p> <ul style="list-style-type: none"> – Issuing the first batch of the special re-loans: Support them to provide preferential loans to the enterprises under the list management system, which are the key protection enterprises for epidemic prevention and control. For enterprises that enjoy special re-loan support from the PBOC, the Ministry of Finance will provide fiscal interest discounts support. <p>The People's Bank Of China, 17th of February, 2020</p> <ul style="list-style-type: none"> – Carry out medium-term lending facility (MLF) of RMB 200 billion and 7-days reverse repos of RMB 100 billion, and the interest rate of this MLF is 10 BP lower than the previous: In order to hedge the impact of factors such as the maturity of PBOC's reverse repos and maintain a reasonable and sufficient liquidity of the banking system <p>The state council executive meeting, 18th of February, 2020</p> <ul style="list-style-type: none"> – Phased reduction and exemption of corporate social insurance fees and implementing the policy of payment delaying of housing fund by enterprises: "In order to reduce the impact of the epidemic on enterprises, especially small and medium-sized enterprises, in all provinces except Hubei province from February to June, small and medium-sized enterprises can be exempted from endowment insurance, unemployment insurance and industrial injury insurance, and from February to April, large enterprises can be reduced by half; Hubei Province can be exempted from February to June for all kinds of insured enterprises. At the same time, before the end of June, the enterprise can apply for delaying the payment of housing provident fund. During this period no overdue treatment will be made for the provident fund loans that the employees fail to repay normally due to the impact of the epidemic." <p>The People's Bank Of China(PBOC) 20th of February, 2020</p> <ul style="list-style-type: none"> – LPR interest rate reduction operation: The LPR of one-year period was 4.05%, 10 bp lower than that of last month; the LPR of more than five-year period was 4.75%, 5bp lower than that of last month.



Other measures and sources

The National Development and Reform Commission, 27th of January, 2020

- Emergency investment of 300 million Yuan in the central budget: The Wuhan Huoshen Mountain Hospital and Wuhan Leishen Mountain Hospital, which are special subsidies for the treatment of patients with novel coronavirus-infected pneumonia, are mainly used to purchase important medical equipment and provide facility guarantee for the realization of “centralized patients, centralized experts, centralized resources, and centralized treatment”.

State Administration of Taxation, 11th of February, 2020

- Guidelines for Preferential Tax Policies for the Prevention and Control of the Epidemic Pneumonia Caused by Novel Coronavirus Infection:
- Involve 12 policies in four aspects, namely, supporting prevention and treatment, supporting material supply, encouraging public welfare donations and supporting the resumption of work and production.

The Ministry of Finance of PRC

- Pre-allocate subsidies for epidemic prevention and control: As of February 23, 99.5 billion Yuan of epidemic prevention and control subsidy has been allocated by the Ministry of Finance at all levels, of which 25.52 billion Yuan has been allocated by the central government to ensure the need for epidemic prevention and control funds.

Main sources of information

- China: Tax challenges and policy options, coronavirus epidemic: <https://home.kpmg/us/en/home/insights/2020/02/tnf-china-tax-challenges-and-policy-options-coronavirus-epidemic0.html>
- China: Social security relief for enterprises, response to coronavirus (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-china-social-security-relief-for-enterprises-response-to-coronavirus-covid-19.html>
- China: Income tax relief, response to coronavirus (COVID-19): <https://home.kpmg/us/en/home/insights/2020/02/tnf-china-income-tax-relief-response-coronavirus.html>

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As of 03 April 2020

General Information

On 25 February, the Financial Secretary announced a reduction of the profits tax by 100% (subject to a cap) and low-interest loans for SMEs, with government guarantees as part of a wider package worth HKD 18.3 billion (USD 2.3 billion). A key highlight of the measures was a full government guarantee on loans of up to HKD 2 million for every small and medium-sized enterprise, under a financing guarantee scheme and involving HKD 20 billion in total. Some banks have come forward with liquidity relief (USD 3.9 million) for businesses affected by the outbreak. In September, a bank introduced a scheme under which SMEs could make interest-only payments for six months (one year if the loan is secured by property) since September. This was recently extended to taxi and public light bus operators as a response to the crisis. Moreover, SMEs that have opted for trade finance have the option to convert part of their loan facility into an overdraft facility for six months in order to help with their working capital needs. The bank also announced it would extend the waiving of handling fees until the end of December and would subsidize guarantee fees for SMEs applying to the government's SME Financing Guarantee Scheme until the same date.

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<p>Tax Relief:</p> <ul style="list-style-type: none"> – A reduction of 2019-20 profits tax payable by 100%, subject to a ceiling of HKD 20,000. – A reduction of the 2019-20 salaries tax and tax under personal assessment by 100%, subject to a ceiling of \$20,000. – Waiver of the surcharge for up to one year on tax payments deferred under an approved instalment plan. The waiver is applicable for the 2018-19 year of assessment, and covers profits tax, salaries tax, and personal assessment. Taxpayers in need would be able to apply for an instalment payment plan before the due date of the respective tax payments. – When the government announced work-from-home requirements for the public service, tax deadlines (including tax return filing, tax payment and responding to enquiries) have generally been deferred until the tax authority reopens. 	<p>Monetary Policy:</p> <ul style="list-style-type: none"> – On 15 March, following moves by the Fed, the Hong Kong Monetary Authority lowered its countercyclical capital buffer imposed on banks to 1% from 2%, and reduced its base rate by 64 basis points to 0.86%. This freed up HKD 500 billion in capital. <p>Fiscal policy:</p> <ul style="list-style-type: none"> – Hong Kong in early March launched a fiscal stimulus of approximately USD 1300 for each of Hong Kong's 7 million residents, as well as targeted income tax cuts and rent suspension for a portion of the population, for a total of around USD 15 billion. Hong Kong will run its first budget deficit in years, and is projected to continue to run this deficit for the coming five years at least. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Hong Kong: Tax relief measures, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-hong-kong-tax-relief-measures-response-coronavirus.html

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As of 03 April 2020

General
Information

Government of India (Finance minister) announced the 24 March 2020 certain relief measures in view of COVID-19 outbreak.
– **March 26:** INR 1.7 trillion (~USD 22 billion) relief package announced by the Finance Minister

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Direct tax:

- FY 18-19: Last date of IT return extended from 31 March 2020 to 30 June 2020 (3 months extension)
- adhaar-Pan linking date extended from 31 March 2020 till 30 June 2020 (3 months extension)
- Vivad se Vishwas scheme (Direct tax amnesty scheme introduced by Govt. in Budget 2020) extended from 31 March 2020 to 30 June 2020 with no additional 10% charge
- Any delays in deposit of TDS, advance tax, regular tax, etc. made till 30 June 2020, to be subject to reduced interest @ 9% from 12%/18%
- All other due dates for issue of notices, filing appeal, etc. under IT Act to be extended till 30 June 2020.

GST/Indirect tax:

- Companies with < INR 50 million turnover: Can file GSTR-3B due in March, April and May 2020 by last week of June 2020. No penalty or interest will be charged.
- Companies with > INR 50 million turnover: Can file GSTR-3B due in March, April and May 2020 by last week of June 2020. However, interest at a reduced rate of 9% will be charged instead of 18%.
- Composition scheme:
 - Last date to opt for composition scheme extended till 30 June 2020.
 - Last date for making payment for quarter ending 31 March 2020 is extended to 30 June 2020.
 - Return filing date extended to last week of June 2020.
- Last date for filing GST annual return for FY19 due on 31 March 2020 is extended till last week of June 2020.
- Customs clearance will be doing duty 24*7 till 30 June 2020
- Due date for all other notices, notification, filing appeal, etc. extended till 30 June 2020.
- Postponement of the income tax return deadline for the 2018-2019 tax year to 30 June 2020 (extended from 31 March 2020)
- A reduced rate of interest for certain tax payments made by 30 June 2020, and a waiver of late-filing penalties
- Postponed deadlines for filing of goods and services tax (GST) returns and related payments of GST
- Extension of the date for certain tax procedural actions, generally postponed to 30 June 2020
- A new tax dispute resolution scheme, allowing an option to settle tax when a percentage is paid by 31 March 2020



Employment-related measures

(e.g. state compensation schemes, training...)

Food related

- About two-thirds of population will be covered under the Pradhan Mantri Garib Kalyan Anna Yojana (Food scheme)
- Everyone under this scheme will get 5 kg of wheat and rice for free in addition to the current 5 kg allocation for the next 3 months
- In addition, 1 kg of preferred pulse (based on regional preference) will be given for free to each household under this Food scheme for the next three months.
- This distribution will be done through Public Distribution Scheme (PDS) and can be availed in two instalments.

Direct benefit transfer related

- Farmers currently receive INR 6,000/- every year through the PM-KISAN scheme (minimum income support scheme) in three equal instalments. The government will now be giving the first instalment upfront for fiscal year starting April 2020. About 86.9 million farmers are expected to benefit from this immediately.
- MNREGA workers: Wage increase from INR 182/- to INR 202/-. Such increase will benefit 50 million families. The wage increase will amount into an additional income of INR 2,000/- per worker.
- 30 million senior citizens, widows, disabled to get one-time ex-gratia amount of INR 1,000 in two instalments over the next 3 months.
- 200 million woman Jan Dhan account holders to be given ex-gratia amount of INR 500 per month for the next 3 months, to run the affairs of their household.
- Women in 83 million families below poverty line covered under Ujwala scheme will get free LPG cylinders for 3 months.
- For 630,000 Self-help Groups (SHGs), which help 70 million households, the government is doubling collateral-free loans to Rs 200,000.
- State governments have been directed to use the welfare fund for building and construction workers. The District Mineral Fund, worth about INR 310 billion, will be used help those who are facing economic disruption because of the lockdown.

Healthcare related

- The Finance Minister has announced medical insurance cover of Rs 5 million per healthcare worker. About 2 million health services and ancillary workers will benefit from such insurance scheme.

Organized sector related

- The government of India will pay the EPF contribution, both of the employer and employee (12% each), for the next 3 months. This is for establishment which have up to 100 employees, with 90% of them earning less than INR 15,000 per month.
- EPFO Scheme's regulations for organized sector will be amended to allow non-refundable advance of 75% of the amount standing to the credit of the worker or 3 months' wages, whichever is lower. This will benefit 48 million workers who are registered with EPF and in a position to withdraw money.



Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

Financial services (Relaxation for 3 Months):

- Complete waiver of minimum balance charges for Savings Bank account
- Debit card holders can withdraw cash from any bank ATM for free of charge
- Bank charges for digital trade transactions will be reduced for all trade finance customers

Insolvency and Bankruptcy Code (IBC):

- Threshold of default under section 4 of the IBC has been increased from Rs 100,00 to Rs 10 million with the intention to prevent triggering of insolvency proceedings against MSMEs.
- If the current situation continues beyond 30 April 2020, Section 7, 9 and 10 of IBC to be suspended for 6 months in an effort to stop companies at large from being forced into insolvency proceedings in such force majeure causes of default.

Relief measures announced by Reserve Bank of India on 27 March 2020:

Liquidity measures

- Reduction of policy repo rate by 75 basis points (from current 5.15% to 4.40%)
- RBI will conduct auctions of TLTRO (Targeted Long Term Repo Operations) of up to three-year tenor of appropriate sizes for a total amount up to INR 1 lakh crore (~USD 13 billion) at a floating rate, linked to policy repo rate
- CRR of all banks to be reduced by 100 basis points to 3% beginning March 28, for 1 year. This will release liquidity of INR 1,37,000 crore across the banking system
- MSF raised from 2% of SLR to 3% with immediate effect. Applicable up to June 30, 2020.
- These three liquidity measures will inject liquidity of INR 3.74 lakh crore (~USD 50 billion) to the system.

Regulatory measures

- All lending institutions are being permitted to allow a moratorium of three months on repayment of installments for term loans outstanding as on March 1, 2020
- Lending institutions permitted to allow deferment of 3 months on payment of interest w.r.t all such working capital facilities o/s as of March 1, 2020
- Deferring payments will not result in asset classification downgrade.
- Further deferring implementation of last tranche of 0.625 % of capital conservation buffer to Sept. 30, 2020
- Banks in India that operate IFSC banking units allowed to participate in offshore INR NDF market w.e.f. June 1, 2020

Other measures and sources

Corporate affairs:

- No fees to be charged for late filing during moratorium period (01 April 2020 to 30 September 2020, 6 months) in respect of any document, return, statements, etc. required to be filed with MCA (Ministry of Corporate Affairs)
- The mandatory requirement of holding board meeting within 120 days of last meeting shall be extended by period of 60 days. Relaxation is till 30 September 2020.
- Applicability of CARO, 2020 has been shifted to FY21 instead of FY20. (CARO is Companies Auditors' Report Order)
- Companies Act requirement of creating deposit reserve of 20% of deposits maturing in FY21 and investing 15% of debentures maturing in FY21 before 30 April 2020 may be done before 30 June 2020

Main sources of information

- India: Tax relief measures, responding to coronavirus (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-india-tax-relief-measures-coronavirus.html>

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As of 03 April 2020

Updated

General Information

On 31 March 2020, Indonesia President signed the Government Regulation in Lieu of Law (Perppu) no 1 year 2020 on State Finance Policy and Financial System Stability in the Handling of COVID-19 Pandemic & announced the largest economic stimulus package of Rp405.1 trillion (USD 24.5 billion) in handling COVID-19 outbreak. At the same time, the Indonesia government has issued a government regulation to regulate large-scale social restriction and the protocol for specific area/region isolation.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

- Those who have been declared as a company granted with Import Facility for Export Purposes
- The exemption is valid from the issuance date of the Tax Exemption Letter until 30 September 2020.

Article 25 Income Tax

- The corporate income tax will be reduced from 25 percent to 22 percent for financial year 2020 & 2021, and 20 percent for financial year 2022 onwards.
- Additional 3 percent reduction applicable for listed company with more than 40% public shares

Value Added Tax (VAT)

- The government will automatically consider the following taxpayers as low risk and provide a preliminary VAT refund facility:
 - Those who have a business classification stated in the 2018 CITR that is among those listed in the Attachment F of PMK-23; or
 - Those who have been declared as a company granted with Import Facility for Export Purposes.
- The amount of preliminary VAT refunds available for these taxpayers has been increased from IDR 1 Billion to IDR 5 billion.
- This facility is valid for VAT returns (including amendments) for the fiscal periods of April to September 2020 that are submitted by 31 October 2020 at the latest.

Reporting and payment for individual Annual Income Tax Return

- The DGT will waive the administrative sanction for the submission and payment of annual income tax return for fiscal year 2019 which is to be carried out by individual taxpayers up to 30 April 2020. The DGT will not issue a Tax Collection Letter for this administrative sanction

Tax Amnesty annual reporting

- Tax Amnesty annual reporting for individuals (set to be submitted by 31 March 2020) can be submitted by 30 April 2020 at the latest.
- Tax treatments in relation to electronic-based trading activity (e-commerce)
- The government will be able to charge value added tax (VAT) on taxable intangible goods and/or services sold through e-commerce platforms and charge income tax or electronic transaction tax on e-commerce done by foreign individuals or digital companies that have a significant economic presence

- Extensions of the timeframes for the fulfillment of taxation rights and obligations
- The due date for the submission of objection is to be extended for a maximum of 6 months. (with the extension, the submission period will be extended from 3 months to 9 months).
- Deadline for returning of tax overpayments will be extended for a maximum of 1 month.
- Due date for requesting reduction or elimination in administrative sanctions, tax overpayments return, cancellation of incorrect tax assessments, and cancellation of inspection results will be extended for a maximum of 6 months.

Provision of incentives in relation to the customs and excise sector

Minister of Finance has the authority to grant custom facilities in the form of exemption or relief custom duty on top of the policy regulated under Law no.10 of 1995 article 25(1) and 26(1)

Regulated under Minister of Finance (MoF) Regulation No.23/PMK.03/2020 on Tax Incentives for Taxpayer Affected by the Coronavirus Outbreak, and Government Regulation in Lieu of Law (Perppu) no 1 year 2020.

Article 21 Employee Income Tax

Government will bear the cost of Article 21 Employee Income Tax for the months of April – September 2020 for employees who:

- Receive income from an employer who has a business classification stated in the 2018 Corporate Income Tax Return (CITR) that is among those listed in the Attachment A of PMK-23; or is declared as a company granted with Import Facility for Export Purposes, and
- Have a Tax ID number, and
- Receive an annualized regular income not exceeding IDR 200 million

Article 22 Income Tax on Imports

Article 22 Income Tax on Imports can be exempted for companies who:

- Have a business classification stated in the 2018 Corporate Income Tax Return (CITR) that is among those listed in the Attachment F of PMK-23

Updated

Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

On 31 March 2020, Indonesia Government announced total state spending for the 2020 State Budget in handling COVID-19 outbreak is Rp405.1 trillion. The budget deficit is estimated to reach 5.07 percent of GDP (compared to current ceiling at 3%). Relaxation of the State Budget deficit policy above 3 percent of the GDP will apply for only 3 fiscal years (2020, 2021 and 2022). The Indonesia Government expect to impose a fiscal discipline of below 3 percent deficit starting in 2023.

Category	Budget	Allocation
Healthcare Sector	Rp75 trillion	<ul style="list-style-type: none"> The purchase of medical equipment such as test kits and ventilators will be prioritized Incentives for medical workers including doctors and nurses Subsidy of Social Security Agency (BPJS Kesehatan) premium
Social Protection	Rp110 trillion	<ul style="list-style-type: none"> The budget will prioritize the 10 million families in the family hope program as well as the 20 million families in the staple food program. The budget for the preemployment card program will be raised to Rp20 trillion from the initial Rp10 trillion, which will be sufficient to cover 5.6 million laid-off workers, informal workers and micro and small business owners. Free electricity for 24 million customers using 450 KVa and 7 million customers using 900 KVa. Support for low-cost housing (Rp1.5 trillion to cover financing for 175,000 new homes under subsidized housing program) Basic logistical support and basic needs (Rp25 trillion)
Tax Incentives and Credit for Business	Rp70.1 trillion	<ul style="list-style-type: none"> Workers in the manufacturing sector with incomes below Rp200 million per year will be exempt from income taxes for six months. Import tax payments will be deferred for six months in 19 manufacturing sectors. Acceleration of VAT refunds in 19 manufacturing sectors The corporate income tax will be reduced from 25 percent to 22 percent. Debt payments will be delayed by six months for micro loan credit for businesses affected by COVID-19. <p>(Refer to "Tax Measures" for further detail)</p>
Economy Recovery Program	Rp150 trillion	<p>Credit restructuring and financing for small and medium businesses, among other businesses.</p> <p>(credit relaxation for loans below Rp10 billion for business purposes, applied to both loans provided by banks and by non-bank financial industry. Interest will be reduced and repayments will be delayed for up to one year)</p>

Other non-fiscal measures which have been introduced by the Government:

- Import restrictions to be reduced for goods under the 749 Harmonized System (HS) code, including in the fisheries and forestry industries. Health certificate and V-legal documents will no longer be required.
- Import restrictions to be simplified for raw materials, including steel and alloy steel as well as several food commodities including sugar. The government will also simplify regulations on animal, medicine and food imports.
- Accelerate the import of medical devices and personal protective equipment in the form of exemption from Surveyor Report in the country of origin or the port of origin, The import relaxation will apply until 30 June 2020
- Temporary ban on the export of antiseptics, raw materials for masks, personal protective equipment, and masks until the end of June 2020,
- Export-import processes to be sped up for reputable traders.
- National logistics ecosystem development to be improved.
- Relaxation of credit scoring requirements
- Relaxation of loan restructuring requirements
- Issuance of import recommendations to be sped up to ensure sufficient supply and stabilize food prices.
- Requirement for all ministers, governors, regents, and mayors to eliminate non-priority expenditure plans in the state budget or regional budgets, and to re-focus their activities and re-allocate the budgets to speed up the handling of COVID-19, both related to health and economic issues
- Government is given the authority to inject state capital as part of a national economy recovery program

Banking and Financial Sector

Banking (OJK Regulation No 11/POJK.03/2020)

- one-year postponement of credit or leasing payments for loan up to Rp10 billion for MSMEs and informal workers
- postponement of credit or leasing payments without ceiling limits in accordance with the debtors' ability to pay the credit and the agreement with banks or leasing companies. (applicable for SME and non-SME)

This relaxation is applicable for up to 31 March 2021.

Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

Monetary Stimulus by Bank Indonesia:

- lower the BI 7-day Reverse Repo Rate by 25 bps to 4,50%; Deposit Facility (DF) rates lowered 25 bps to 3,75%; and Lending Facility (LF) rates lowered 25 bps to 5,25%
- Strengthening the intensity of triple intervention policy to maintain rupiah exchange rate stability in line with the currency's fundamental value and market mechanisms, including the spot and Domestic Non-Deliverable Forwards (DNDF) markets as well as purchasing Government Securities (SBN) in the secondary market
- Extending the SBN repo tenor to 12 months and providing daily auctions to loosen rupiah liquidity in the banking industry, effective from 20th March 2020.
- Injection of rupiah and foreign currency liquidity
- Increasing the frequency of FX swap auctions for 1, 3, 6 and 12-month tenors from three times per week to daily auctions in order to ensure adequate liquidity, effective from 19th March 2020.
- Strengthening foreign currency term deposit instruments in order to enhance foreign currency liquidity management in the domestic market, while encouraging the banks to utilize the foreign currency reserve requirements lowered by Bank Indonesia for domestic purposes.
- Expediting the enforcement of domestic vostro rupiah accounts for foreign investors as underlying transactions for Domestic Non-Deliverable Forwards (DNDF), thus increasing hedging alternatives against rupiah holdings in Indonesia, effective 19th March 2020.
- Expanding the incentive of a 50bps daily rupiah reserve requirement beyond banks that are engaged in export-import financing to include the financing of MSMEs and other priority sectors, effective from 1st April 2020.
- Reaffirm that global investors can utilize global and domestic custodian banks to conduct investment activity in Indonesia.
- Strengthening payment system policy to support COVID-19 mitigation efforts by:
 - providing hygienic currency fit for circulation, alternative cash and backup services, and urging the public to prioritize non-cash payment transactions;
 - encouraging the use of non-cash payment channels by reducing the cost of the National Clearing System (SKNBI) from the banking industry to Bank Indonesia and from customers to the banking industry, effective from 1st April 2020 until 31st December 2020; and
 - supporting non-cash disbursements for government programs

Issuance of Pandemic Bonds

- Government has the authority to issue state bonds or sharia sovereign bonds with a specific purpose, specifically to deal with the COVID-19 pandemic, and the bonds might be purchased by the central bank, state-owned companies, corporate investors and/or retail investors
- The proceeds from the bonds sales are to be used by the government for national economic recovery, including to ensure the sustainability of the state financial management, to provide loans and capital injection for the Deposit Insurance Corporation [LPS] and to finance banks' restructuring during the crisis

Authorities which can be exercised by government agencies (deviation of existing laws or regulations)

Bank Indonesia

- The authority to disburse sharia short-term liquidity loans or financing for systemic or non-systemic banks
- give special liquidity loans to systemic banks that face liquidity issues but are not eligible for the sharia short-term liquidity loans.
- The authority to purchase long-term state securities/sharia securities within the primary market;
- Sale/repo of state securities/sharia securities owned by LPS to handle solvability issue of systemic or non-systemic banks

LPS

- The authority to implement the sale/repo of state securities/sharia securities owned by BI and to issue debt securities, etc.
- The authority to make decisions regarding the saving of systemic banks which are declared failed banks

OJK

- The authority to mandate that financial services should implement various types of corporate actions (i.e. mergers, consolidations)
- The authority to exempt certain parties from the mandatory implementation of the transparency principle within the stock-market sector

Updated

Employment-related measures

(e.g. state compensation schemes, training...)

- If the employees are absent from work because they are categorized as; a person under supervision (maximum absent of 14 days), suspected of being infected with COVID-19, or actually infected with COVID-19, the employees are entitled to receive full salary.
- For companies forced to limit their business activities due to government policies so that all or some of their employees are absent from work, by taking business continuity into account, the companies may change the amount or method of payment of the employees' salary. However, these changes must be based on consensus reached between the employers and employees.
- In the event that rendering normal business activities becomes impossible, employers may opt to temporarily suspend the business in whole or in part. The employers still have to pay for employees' salary and benefits in full during the suspension period, unless both parties agree otherwise.

Other measures and sources

Non-banking financial institution

- Extension of the deadline for submitting periodic reports to OJK
- The fit and proper test of the IKNB main party can be conducted through video conference
- Relaxation for determining the quality of financing assets and financing restructuring
- In calculating the level of solvency of an insurance company or the level of funding of a pension fund with a defined benefit program, assets in the form of debt instruments can be valued based on amortized acquisition value
- Postponement of the implementation of the life cycle fund provisions for pension funds that carry out defined contribution pension plans

Capital Market

- Ban of short selling; 30 minutes trading halt for 5% index decline; buy back shares without going through General Meeting of Shareholder (GMS); extension of the use of financial statements for IPO from 6 months to 9 months

Others

- Relaxation of the deadline for submitting financial statements and holding a GMS; allowing company to conduct GMS through an electronic system (e-GMS); relaxation of the implementation of financial statements and appraisal reports on the Capital Market; relaxation related to the initial bidding and the public offering period.

Large-Scale Social Restrictions to Accelerate the Handling of COVID-19

- Regional heads are allowed to take three actions related to social restriction, such as closing schools and workplaces, restricting mass religious activities, and restricting events in public facilities.

Travel restriction implemented by Ministry of Foreign Affairs

- Temporary ban on all arrivals and transit by foreigners in Indonesia. Exemption applied to foreigners with both limited and permanent residence permits, diplomatic officials, health workers, medical and food supplies, as well as land, air and sea transportation crews.

Main sources of Information :

Cabinet secretariat of the republic of Indonesia: <https://setkab.go.id/en/>;
 Ministry of foreign affairs of the republic of Indonesia: <https://kemlu.go.id/portal/en>;
 Central Bank of Indonesia: <https://www.bi.go.id/en/Default.aspx>;



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As of 03 April 2020

General Information

Fiscal stimulus spending by the government will serve as the main tool for softening the outbreak's economic impact. The government is significantly expanding subsidies to maintain jobs impacted by the health crisis.

- **29 February:** Prime Minister Shinzo Abe announced an emergency package of measures of 270 billion yen (2.5 billion USD), with an emphasis on health measures.
- **19 March:** The government is discussing another near-term economic stimulus package or packages. It is developing a proposal to potentially cut the sales tax rate.
- **23 March:** The announcement on 22 March by the International Olympic Committee (IOC) that it will consider modifying or postponing (but not cancelling) the Games will boost pressure on the government to compile a robust economic stimulus package. The current plan is to have this package total around JPY 30 trillion (about USD 270 billion), including fresh fiscal spending of over JPY 15 trillion (about USD 135 billion).

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

On 21 March, media reported the government planned a corporate tax refund, mainly directed to SMEs. Japan also considers extending its programme for property tax breaks for small firms.

Filing/Payment Deadline Extension

The payment due dates for 2019 tax return for taxpayers who use automatic bank transfer will be extended as follows:

- Individual income tax and special reconstruction income tax are due May 15, 2020.
- Individual consumption tax and local consumption tax are due May 19, 2020.
- The payment due date for consumption taxpayers who apply special measures for certain short tax periods is also May 19, 2020. In addition, a grace period can be granted upon request to the tax office for taxpayers who cannot pay national tax at one time due to the effect of the coronavirus. The Tokyo tax authorities announced an extension of business tax (local tax) due between February 27, 2020 and April 15, 2020 to April 16, 2020 (except for when a taxpayer closed the business in the middle of the year). These announcements followed the national tax agency's previous announcements that—due to the coronavirus (COVID-19)—the tax return filing and payment dates for individual income tax, gift tax, and individual consumption tax for 2019 are extended to April 16, 2020.

Employment-related measures
(e.g. state compensation schemes, training...)

- The government has pledged to provide additional funds for employment adjustment assistance and promotion of telework.



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Monetary Policy:</p> <ul style="list-style-type: none"> – Doubling the target for net purchases of exchange-traded funds to JPY 12 trillion (\$112 billion) – Agreeing to coordinated foreign swap lines, to lower the cost of borrowing dollars internationally, with the US Federal Reserve – Establishing a new one-year facility that would offer loans against corporate debt as collateral at a 0% interest rate – Increasing the upper limit for its purchases of commercial paper and corporate bonds by ¥2tn. <p>Business support</p> <ul style="list-style-type: none"> – The government is concentrating its financial resources to support small and medium-sized enterprises. 1,000 billion yen (8.5 billion euros) will be devoted to the recovery effort. – Subsidies for SMEs are increased in areas of the territory particularly affected by the decline in economic activity (between +60 and +80%) and to support teleworking in SMEs (including encouraging firms to adopt IT solutions and develop e-commerce sales channels) – SMEs facing more than a 15% decrease in sales can claim compensation of interests and can borrow without collateral. – Provision of special COVID-19 loans (500 billion yen - 4.3 billion euros) with low interest rates to provide financial support to businesses. – To help private financial institutions to increase lending to help businesses whose sales are declining, a new funding framework with a 0% interest rate until the end of the month has been established. – Prime Minister Abe's government has introduced a new \$15 billion lending program to help businesses hit by the pandemic. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Japan: Additional extensions of tax return filing, payment deadlines due to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-japan-additional-extensions-tax-return-filing-payment-deadlines-coronavirus.html



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As of 03 April 2020

Updated

General Information

- The government has announced its preparedness for a potential crisis caused by the virus. A total package of anti-crisis measures, excl. tax relief/deferral measures and support on a local level, is expected to reach approx. KZT4,4 tn
- A temporary VAT reduction for agricultural and food products and zero custom duties on essentially important imports are being discussed
- Price control: state regulation of prices is expected to be introduced on socially significant goods
- A ban on exports of a number of “socially significant” products until state of emergency is lifted

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>All businesses/legal entities</p> <ul style="list-style-type: none"> – Business owners are exempt from three types of taxes until 31 Dec 2020: <ul style="list-style-type: none"> • Property tax for legal entities and self-employed individuals that operate in large shopping centers, malls, cinemas, theatres, exhibitions, sport centers, and sport and recreation complexes • Land tax on agricultural lands that used by farmers to produce agricultural products • Personal income tax for self-employed individuals that work under standard taxation scheme – The penalty accrual on unfulfilled tax obligations to be ceased until 15 Aug 2020 – The deadline for tax declaration submission is postponed to Q3 2020 – Tax deferrals: SMEs will be allowed to defer tax and other obligatory payments for a period of three months, with no fines and penalties 	<p>Social institutions</p> <ul style="list-style-type: none"> – 500,000 medical masks: the President of Kazakhstan donated masks to be distributed to orphanages, hospitals and socially vulnerable groups <p>Workers involved in combatting COVID-19</p> <ul style="list-style-type: none"> – A new package of financial support for physicians working on combatting the virus is being developed: <ul style="list-style-type: none"> • A bonus in the amount of 20 minimum salaries for workers in a <i>very high risk</i> environment • A bonus in the amount of 10 minimum salaries for workers in a high risk environment • A bonus in the amount of 5 minimum salaries in a medium risk environment – Additionally, one salary will be paid to doctors, police officers and other specialists who perform their duty in the fight against coronavirus – Additional KZT85 th will be paid to those who participate in Employment roadmap program 	<p>Business support</p> <ul style="list-style-type: none"> – Preferential loans: a total of KZT600 bn, for 1 year, at 8%. To support SMEs that suffered from coronavirus, the National Bank in cooperation with Agency for regulation and development of financial markets are initiating concessional lending to support SMEs` working capital. Combined with “Economy of Common Goods” program, the support received by local entrepreneurs from the government will reach KZT1 tn – Agricultural sector support: farmers will get access to loans with the total amount of KZT70 bn at 5% available through National Holding Kazagro and KZT100 bn at 6% through “Economy of Common Goods” program. In addition, farmers will be able to finance their operations through forward contracts (under its future harvest). Also, diesel and other fuel types will be subsidized for the next sowing season – SMEs are exempt from personal income tax and social payments (social tax and insurance) for 6 months (Apr-Sep.) Sectors include but not limited to tourism, transport, IT, consulting, private education, private healthcare and other affected sectors 	<p>Individuals</p> <ul style="list-style-type: none"> – A temporary loan relief: a ban on penalties on all unsecured consumer loans with delays of more than 90 days (not only loans provided by banks, but also by all microfinance organizations, incl. pawnbroker`s offices, credit partnerships, and any other lenders) – Electricity and telecommunications: citizens, who were transferred to remote work, may receive compensation for the electricity and telecommunications bills – Monthly payments: during the state of emergency one minimum monthly wage (KZT42,500) is paid to citizens who had lost their income because of the state of emergency. Approx. 3 mln citizens could expect this compensation – All pension and benefit payments will be raised by 10%. A total of KZT200 bn is expected to be spent on the initiative – About 800 th citizens from vulnerable groups will be provided with food packages – Extension of uninsured citizens` access to healthcare under obligatory social medical insurance system from 1 Apr to 1 Jul 2020 <p>Nur-Sultan and Almaty residents</p> <ul style="list-style-type: none"> – Utilities in Almaty: the residents can defer utilities payments, incl. elevator and waste disposal, for Mar and Apr till the end of 2020 with no fines or penalties – Parking in Nur-Sultan: during the state of emergency residents are not charged parking fees in the capital



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As of 03 April 2020

General Information

In February, the government has prepared RM 20 billion (\$4.8 billion) for financial stimulus packages, providing tax breaks and cash aid to affected companies and households as well as an additional RM620 million (\$205 million) in March to support affected industries and employer

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<p>The Malaysian Inland Revenue Board issued a series of releases 20-25 March 2020 as well as a set of “frequently asked questions” (FAQs) in relation to taxation matters in response to the coronavirus (COVID-19) pandemic.</p> <p>Among the measures announce:</p> <ul style="list-style-type: none"> – No penalty will be imposed on late payment of taxes provided the payment is made by 30 April 2020. – There is an extension of time—until 30 April 2020—to submit Form CP204B, Submission of Notification of Change in Accounting Period, which is due in the period from 18 March 2020 to 29 April 2020. – An extension of time until 30 April 2020 is allowed for submitting documents for tax audit or investigation, otherwise due within the period of 18 March 2020 to 29 April 2020. 	<ul style="list-style-type: none"> – The government has allocated RM120 million - out of the additional RM620 million - in the form of monthly payments amounting RM600 (\$138) to workers earning below RM4,000 (\$920) a month for six months. 	<ul style="list-style-type: none"> – RM500 million (out of the additional RM620 million) are allocated for a discount on electricity tariffs for commercial, industrial, and agriculture sectors from April 1 to Sept 30. – Commercial banks have introduced support packages that include emergency loans to support their SME clients as well as flexibility for repayments of existing loans in addition to a decrease in the Policy rate. – Malaysian Central Bank has cut its statutory reserve ratio from 3% to 2% releasing RM30 billion (\$6.81 billion) into the banking system effective 20 March - to cope with the economic slowdown caused by the coronavirus outbreak and the declining oil prices. – Central Bank has lowered its overnight policy rate by 25 basis points to 2.5% in early March (the second reduction to its benchmark rate this year). 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Malaysia: Tax relief, postponed deadlines, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/20/03/tnf-malaysia-tax-relief-postponed-deadlines-responding-to-coronavirus.html



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As of 03 April 2020

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>
<p>Corporate Income Tax</p> <ul style="list-style-type: none"> – The Ministry of Planning, Finance and Industry (“MoPFI”) announced on March 18, 2020 that tax assistance will be provided for SMEs, Hotel and Tourism and CMP companies. – Payment of income and commercial tax for quarters ending March 31, 2020 and June 30, 2020 will be extended to September 30, 2020. <p>Export taxes</p> <ul style="list-style-type: none"> – The Myanmar government announced on March 17, 2020 that the advance income tax of 2.0% on exports will be waived until the end of the fiscal year on September 30, 2020. 	<p>Measures regarding visa extensions for foreign workers</p> <ul style="list-style-type: none"> – The Directorate of Investment and Company Administration (DICA) is facilitating the stay permit and visa extension process to be conducted digitally. 	<p>Interest Rates</p> <ul style="list-style-type: none"> – The Central Bank of Myanmar (“CBM”) issued a notification announcing further reductions in interest rates to be effective April 1, 2020. – In addition to the 0.5% reduction in rates that became effective on March 16, 2020, the further 1.0% reduction results in a total of 1.5% reduction in rates announced within the last two weeks. – Deposit rates will be subject to a lower minimum rate of 6.5%, secured lending rates will be subject to a lower maximum of 11.5%, and unsecured lending will have a lower maximum rate of 14.5% <p>Loans</p> <ul style="list-style-type: none"> – The Ministry of Planning, Finance, and Industry (“MoPFI”) announced on March 18, 2020 that SMEs, Hotel and Tourism, and CMP (Cutting, Making, Packaging) companies will be able to apply for loans with a 1% interest rate for a period of 1 year. – These loans are to be disbursed from a relief fund of 100 billion MMK, with 50 billion MMK drawn from the country’s revolving fund and 50 billion MMK drawn from the social welfare fund.



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As of 03 April 2020

<p>General Information</p>	<p>NZD 12.1 billion business continuity package:</p> <ul style="list-style-type: none"> – NZD 5.1 billion in wage subsidies for affected businesses in all sectors and regions; – NZD 126 million in COVID-19 leave and self-isolation support; – NZD 2.8 billion income support package for most vulnerable, including a permanent \$25 per week benefit increase and a doubling of the Winter Energy Payment for 2020; – NZD 100 million redeployment package; – NZD 600 million initial aviation support package.
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Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<p>Business Income Tax</p> <ul style="list-style-type: none"> – Reintroduction, from the 2020-21 income year, of a 2% DV depreciation deduction for commercial and industrial buildings, including hotels and motels. – Temporary increase in the threshold for expensing low-value assets from NZ\$500 to NZ\$5,000 during the 2020-21 income year. The threshold would be NZ\$1,000 from the 2021-22 income year. – Changes to the calculation of the in-work tax credit to remove the hours worked test. – NZD 2.8 billion in business tax changes to free up cash flow, including a provisional tax threshold lift, the reinstatement of building depreciation and writing off interest on the late payment of tax <p>Filing/Payment Deadline Extension</p> <ul style="list-style-type: none"> – The threshold for paying provisional tax will increase from \$2,500 to \$5,000 of residual income tax, from the 2020-21 income year. – Inland Revenue will be given the power to write off interest on late payments for those adversely impacted by COVID-19 for tax payments due after February 14, 2020. 	<p>Reserve Bank Support</p> <ul style="list-style-type: none"> – The Reserve Bank has announced an emergency policy rate cut by 75 basis points, to 0.25%, accompanied by forward guidance saying this is for at least 12 months – The Reserve Bank announced further measures to support commercial banks to strengthen liquidity 	<p>Main sources of information</p> <ul style="list-style-type: none"> – New Zealand: Tax relief in government's response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-new-zealand-tax-relief-government-response-coronavirus.html – COVID-19: Information for businesses: https://www.business.govt.nz/news/coronavirus-information-for-businesses/ – Financial system sound, and Reserve Bank providing additional support: https://www.rbnz.govt.nz/news/2020/03/financial-system-sound-and-reserve-bank-providing-additional-support – COVID-19 Economic Package updated: https://treasury.govt.nz/news-and-events/news/covid-19-economic-package-updated



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As of 03 April 2020

General Information

On **30 March 2020** The Government of Pakistan (GoP) has approved the fiscal stimulus package of Rs. 1.2 trillion and Supplementary Grant of Rs. 100 billion for the "Residual/Emergency Relief Fund" in relation to provision of funds for mitigating the affect of COVID-19 for the impacted population.

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<p>Tax Relief</p> <ul style="list-style-type: none"> – 30 March 2020: Release of Rs. 75 Billion for Tax Regulator – GoP approved Rs.75 billion to payback the pending sales tax and income tax refunds, duty drawbacks and customs duties. – 30 March 2020: GoP allowed to reduce different taxes and duties on import and supply of different food items for alleviating the adverse impact of COVID -19 on different sections of the society: <ul style="list-style-type: none"> o Rate of advance tax on the import of different food items was reduced to 0% from 2%; o Individuals and associations of persons providing basic food items to Govt. owned departmental stores without a brand name will pay 1.5% withholding tax instead of 4.5%; and o ACD (additional customs duty) @ 2% on soya bean oil, canola oil, palm oil and sunflower oil (also on oil seeds) has also been exempted. 	<p>Fiscal and Monetary Measures</p> <ul style="list-style-type: none"> – 29 March 2020 Central bank reduce the policy rate by a further 150 bps points to 11% bringing the cumulative ease to 250 bps in a week. – 29 March 2020 Central Bank has relaxed the DBR for consumer loans from 50% to 60%. – 29 March 2020 Banks and DFIs will defer the payment of principal on loans and advances for one year. – 29 March 2020 Keeping in view the steep decline in share prices, margin call requirement of 30% vis-a-vis banks' financing against listed shares has been significantly reduced to 10%. – 29 March 2020 The regulatory limit on extension of credit to SMEs has been permanently increased from Rs. 125 million to Rs. 180 million – 25 March 2020 The Central Bank will refinance banks to provide financing at reduced end-user rate of 3 percent for 5 years for the purchase of equipment to detect, contain and treat the Coronavirus. 	<p>Relaxation in trade and cash/ government subsidy</p> <ul style="list-style-type: none"> – 30 March 2020 The Government of Pakistan (GoP) has approved the fiscal stimulus package of Rs. 1.2 trillion and Supplementary Grant of Rs. 100 billion for the "Residual/Emergency Relief Fund" in relation to provision of funds for mitigating the affect of COVID-19 for the impacted population. – 30 March 2020 Rs. 200 billion of cash assistance for the daily wagers working in the formal industrial sector and who had been laid off as a result of COVID-19 outbreak. – 30 March 2020 Rs. 50 billion for Utility Stores Corporation to provide essential food items to the vulnerable section of the society at subsidized rates. – 30 March 2020 The supplementary grant of Rs. 30 billion to Ministry of Commerce to payback duty drawbacks to textile exporters in the current financial year to improve their liquidity position – 26 March 2020 Pakistan has arranged about \$4 billion additional financial assistance from multilateral lending and aid agencies to shore up foreign exchange reserves and budgetary support for fighting adverse impacts of the coronavirus pandemic – 26 March 2020 Pakistan is in negotiation with IMF to seek additional \$1.4 billion fast-track and upfront payment package to fight of Corona Virus <p>Main sources of information</p> <ul style="list-style-type: none"> – Ministry of Finance: http://www.finance.gov.pk/press_releases.html – State Bank of Pakistan: http://www.sbp.org.pk/corona.asp

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As of 03 April 2020

Updated

General Information

The Minister for Finance unveiled on 18 February 2020, a S\$4 billion Stabilization and Support Package (as part of the Unity Budget) that contains a range of measures to cushion the blow of COVID-19 on local businesses and workers. As both the global economy and COVID-19 outbreak continue to worsen, the Government has announced a second stimulus package (known as the Resilience Budget) on 26 March 2020. The Resilience Budget, worth a generous S\$48.4 billion, aims to support households, help workers stay employed and provide support for enterprises to emerge stronger when the economy recovers. One of the key tax measures relates to the automatic deferment of income tax payment for companies and self-employed persons. Apart from broad based support for the entire economy, the Resilience Budget also introduced measures to help specific sectors that are directly impacted by the COVID-19 outbreak such as the Aviation, Tourism, Food Services, Land Transport and Arts & Culture sectors.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Deferment of corporate income tax payment

- Companies and self-employed persons will enjoy automatic deferment of income tax payment for 3 months, between April to June 2020.

Corporate income tax rebate

- Companies will enjoy an enhanced corporate income tax rebate of 25% of tax payable, capped at S\$15,000 for YA 2020. This is an increase from the 20% rebate (capped at S\$10,000) granted for YA 2019.

Interest-free instalments for Estimated Chargeable Income (ECI) payments

- An additional two months of interest-free instalments will be granted to companies paying their corporate income tax by GIRO when they file their ECI within three months from their financial year-end. This automatic extension of instalment plan will apply to companies that file their ECI from 19 February 2020 to 31 December 2020; or companies that file their ECI before 19 February 2020 and have ongoing instalment payments to be made in March 2020.

Enhanced carry-back relief scheme

- The carry-back relief scheme will be enhanced to allow all persons carrying on a business, including sole proprietorships as well as partnerships, to carry back qualifying deductions (capped at S\$100,000) for YA 2020 for deduction against assessable income up to three immediate preceding YAs (previously only up to the immediate preceding YA), subject to certain conditions.

Options to accelerate capital allowance claims and deductions

- Taxpayers who incur capital expenditure on plant and machinery in the basis period for YA 2021 will have an option to claim accelerated capital allowance over two years. Taxpayers can claim capital allowances of 75% of the costs in YA 2021 and the remaining 25% in YA 2022. No deferment of claims is allowed under this option.
- Taxpayers who incur qualifying expenditure on renovation and refurbishment for the basis period of YA 2021 will have the option to claim renovation and refurbishment deductions in one YA (instead of over three YAs). The cap of S\$300,000 for every relevant three-year period continues to apply.

Property tax rebate (PTR) for qualifying commercial properties

- 100% PTR for qualifying commercial properties such as hotels, serviced apartments, tourist attractions, shops and restaurants.
- 60% PTR for Integrated resorts such as Marina Bay Sands and Resorts World Sentosa.
- 30% PTR for all other non-residential properties such as industrial properties, offices.

Employment-related measures

(e.g. state compensation schemes, training...)

Jobs Support Scheme

- Employers will receive 25% cash grant on the gross monthly wages of each local employee (applicable only to Singapore Citizens and Permanent Residents) for the months of October 2019 to July 2020, subject to a monthly wage cap of S\$4,600 per employee. Cash grants received by employers would be tax exempt.
- Additional tiers of support will be provided for businesses in the Aviation and Tourism (75% cash grant) sectors as well as Food services (50% cash grant) sector.

Enhancements to Wage Credit Scheme

- This scheme, which co-funds wage increases for Singaporean employees, will see an increase in the qualifying gross monthly wage ceiling from S\$4,000 to S\$5,000, for both 2019 and 2020. The Government will also increase the level of co-funding by five percentage points to 20% and 15% of the wage increases in 2019 and 2020 respectively.
- The additional payout for the 2019 wage increase has been brought forward from September 2020 to June 2020.

Updated

Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<p>Aviation</p> <ul style="list-style-type: none"> The Government will provide S\$350 million aviation support (i) to provide cost relief to airlines, ground handlers and cargo business such as landing and parking charges, rental rebates for airlines lounges and offices within Changi Airport, etc as well as (ii) maintaining the minimum level of air connectivity to allow Singaporeans to return to Singapore and for transportation of goods. <p>Tourism</p> <ul style="list-style-type: none"> The Government will provide S\$90 million for tourism recovery support to help the sector rebound strongly, following the COVID-19 pandemic. These include training the industry professionals with tourism grant and enhancing other tourism grants on qualifying costs to ensure a pipeline of events and products. <p>Land Transport</p> <ul style="list-style-type: none"> The Government will provide a S\$95 million Point-Point Support (P2P) Package for land transport operators, including (i) a Special Relief Fund payment of S\$300 per vehicle per month will be given to taxi hirers and Private Hire Cars (PHC) drivers and (ii) P2P operator license fee waivers for 6 months. For all private bus operations, (i) one year road tax rebate and (ii) six months waiver of parking charges at government managed parking facilities for private bus owners to defray operating costs. <p>Maritime</p> <ul style="list-style-type: none"> Cruise ships and regional ferries with a port stay of not more than five days and passenger-carrying harbor craft will be given a 50% port dues concession from 1 March 2020 to 31 December 2020. Additionally, there will be (i) an additional 35% rebate on counter rentals and overnight berthing for regional ferry operators for three months from March 2020 and (ii) 100% waiver of public license fees for passenger terminal operators for one year. <p>Arts & Culture</p> <ul style="list-style-type: none"> The Government will provide S\$55 million to (i) safeguard jobs and retain capabilities, (ii) support capability development and (iii) step-up on digitalization efforts, in line with the Government's Smart Nation Vision. Employees in affected sectors such as tourism, aviation, retail and food services sectors will receive enhanced support through new redeployment programs. The funding support period for existing redeployment programs (i.e. Job Redesign Place-and-Train (PnT) Program for Hotel Industry and Job Redesign PnT Program for Retail Industry) will be extended from three months to a maximum of six months. 	<p>Rental waivers</p> <ul style="list-style-type: none"> Hawkers (food courts) managed by the National Environment Agency will be provided with three month's worth of rental waiver, with a minimum waiver of \$200 per month. Qualifying commercial tenants such as those providing commercial accommodation, retail, F&B, recreation, entertainment, healthcare and other services, managed or owned by other government bodies will be provided two month's rental waiver. Other non-residential tenants in premises managed by government bodies, that are used for industrial or agricultural purpose, or as an office, a business or science park, or a petrol station who currently do not pay Property Tax, will be provided half a month's rental waiver. <p>Enhanced SME Working Capital Loan</p> <ul style="list-style-type: none"> The SME Working Capital Loan (which has been subsumed under the Enterprise Financing Scheme), will be enhanced to increase the maximum loan quantum to S\$1 million. The Government's risk share will also be increased to 80% and SMEs may request for deferment of principal repayment for one year. One-year temporary bridging loan program for enterprises Eligible enterprises of all industry sectors will be able to borrow up to S\$5 million, with the interest rate capped at 5% p.a. The Government will co-share up to 80% of the borrowing risk and enterprises may request for deferment of principal repayment for one year. Enterprise Financing Scheme – Trade Loan program for Singapore-based enterprises Singapore-based enterprises will be able to borrow up to S\$10 million to finance short-term import, export and guarantee needs. The Government will co-share up to 80% of the borrowing risk. <p>Loan Insurance Scheme</p> <ul style="list-style-type: none"> SMEs that secure short-term trade loans by having commercial insurers co-share loan default with Participating Financial Institutions, will see the Government providing subsidies for loan insurance premiums of 80%. SG Together Enhancing Enterprise Resilience (STEER) To help businesses tide over the challenges arising from COVID-19, the Government will increase the dollar for dollar matching; S\$1 for every S\$2 raised by funds set up by the Trade Associations and Chambers or industry groupings, up to S\$1 million per fund. <p>No increase in Government fees and charges</p> <ul style="list-style-type: none"> There will not be any increase in all Government related fees and charges for one year, from April 2020 to March 2021.

Updated

Other measures and sources

Apart from the short-term measures to combat the negative economic impact brought about by COVID-19, the Government also announced certain medium and longer-term measures, amongst others, announced/ enhanced include:

- The Government is aiming to reach out to 3,000 SMEs with the Enterprise Development Grant (EDG) that provides maximum support level of up to 90% support in three areas: Core Capabilities, Innovation and Productivity, and Market Access.
- The Enterprise Leadership for Transformation (ELT), aimed at business leaders with the ambition and commitment to transform their business, is a three-year pilot focused on helping the professional growth of SME business leaders.
- Enhancement to the Market Readiness Assistance (MRA) grant, a broad-based enterprise grant scheme that provides 70% funding for eligible costs incurred by SMEs (up till 31 March 2023) taking their first steps overseas, with grant cap increased from S\$20,000 per year to S\$100,000 per new market per company.
- Enhancement to the Double Tax Deduction for Internationalization (DTD_i) scheme that gives businesses an automatic 200% tax deduction on qualifying expenditure of up to S\$150,000 incurred on specified activities (till 31 December 2025), which have been expanded to include new categories of expenses.
- The New Skills Future Enterprise Credits, capped at S\$10,000 per enterprise, will help enterprises defray 90% of out-of-pocket costs of business transformation, job redesign and skills training. The Government will also provide higher course fee subsidies of 90% and up to \$10 hourly absentee payroll to encourage enterprises to continue with developing their employees.
- The expansion of the Productivity Solutions Grant, which provides maximum support level of up to 80% supports enterprises to adopt pre-approved IT solutions and equipment, to include job redesign consultancy services.
- The tightening and extension of the Mergers & Acquisitions (M&A) scheme (extended till 31 December 2025) to provide a continuous drive to encourage and support enterprises, especially SMEs, to continue to transform and grow via strategic acquisitions.

Main sources of information

Singapore Budget 2020: https://www.singaporebudget.gov.sg/budget_2020/home



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As of 03 April 2020

General Information

Between 7 February and 3 March, the financial sector (from both state-invested banks, private banks and credit card companies) provided financial support directed at SMEs worth EUR 2.1 billion. On 4 March, the Ministry of SMEs and Start-ups announced its plan to provide support worth EUR 1.2 billion as supplementary budget, including the following measures:

- An Emergency Fund, providing direct financial support to SMEs and self-employed, aimed at encouraging these firms to keep their employees;
- Government guarantees, and insurance on loans.
- Sanitary support for the reopening of SMEs that closed due to exposure to infected patients;
- Encouraging brick-and-mortar shops to open their business online.
- Simplification of procurement processes by limiting on-site inspections.

Priority is given to regions that were affected the most.

- **19 March:** the Government announced a further USD 39 billion package including emergency financing for small businesses and other stimulus measures, and loan guarantees for struggling small businesses with less than USD 78 000 in annual revenue to ensure they can easily and cheaply get access to credit. Domestic commercial banks and savings banks will also allow loans to be rolled over for small businesses if they cannot afford payment when due.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Tax Credits for rental business owners who have lowered the rental fee of a commercial building (RSTA §96-3): If a landlord renting a commercial building cuts the rental fee of a small business tenant from January to June 2020, 50% of the rental-fee reduction will be tax deducted from the landlord's income and corporate taxes.

Income and Corporate Tax reductions for small and medium-sized enterprises in special disaster areas (Daegu, Gyeongsan, Bonghwa and Cheongdo) (RSTA §99-11)

- Income and corporate tax on income generated by SME in special disaster areas due to damage to infectious diseases will be reduced by a certain percentage
- Reduction rate for small-sized enterprise: 60%, reduction rate for medium-sized enterprise: 30%, the limit of the total tax reduction: KRW 200 million

Extending the scope of tax support for overseas companies' return to Korea (RSTA §104-24)

- Income and corporate tax reductions are applied to the expansion of existing domestic operations while shutting down or downsizing overseas operations to support overseas companies' return to Korea.
- Reduction rate: 100% for first 5 or 3 years, and 50% for additional 2 years

VAT

- VAT imputed in 2020 for small self-employed businesses with annual sales of KRW 80 million (excluding value added tax) or less will be reduced to the level of simplified taxpayers.
- The base amount of the VAT exemption for simplified taxpayers will be raised to KRW 48 million from KRW 30 million temporarily in 2020.

Temporary reduction of Individual Consumption tax on car purchases (RSTA §109-4):

- 70 percent of the individual consumption tax will be reduced for cars taken out of manufacturing sites or declared as imports from March to June 2020.

Temporary Increase in the income tax deduction rate for credit card or other expenses (RSTA §126-2):

- The income tax deduction rate for the amount paid by credit card or other from March to June 2020 will be doubled (from 15~40% to 30~80%).



Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> – The supplementary budget passed on March 17 contains funding for a wide range of programs to provide loans and other types of assistance to distressed firms and their employees. <p>Monetary Policy</p> <ul style="list-style-type: none"> – On March 23, The Bank of Korea pledged to begin purchasing an unspecified amount of local bonds to help prevent a possible liquidity crunch as well as expand the scope of its purchase program to include bonds issued by public enterprises. – The Bank of Korea slashed its benchmark interest rate to 0.75% in an emergency move following actions by the Federal Reserve. Korea will lower – interest rates applied to its loan facility for smaller companies, and add bonds issued by banks to its open market operations to enhance liquidity 	<p>Trade restrictions:</p> <ul style="list-style-type: none"> – On March 19, Tokyo imposed additional restrictions on South Koreans seeking entry into Japan. Subsequently, Seoul imposed similar restrictions. These restrictions have not produced any new obstacles to bilateral trade, but it could indicate rising tension and further complicate efforts to resolve an existing trade dispute between the two countries that began last summer. <p>Main sources of information</p> <ul style="list-style-type: none"> — Ministry of SMEs and Start-ups: https://www.mss.go.kr/site/eng/main.do



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As of 03 April 2020

General Information

Aiming at alleviating the impact of the coronavirus (COVID-19) pandemic, the Taiwan government introduced several supportive tax measures covering a wide range of different aspects. This e-tax alert summarizes the major ones relevant to foreign investors including: (1) Deferral of tax payments or by installments for affected enterprises and individuals; (2) Extension of tax filing and payment deadline under special circumstances (e.g. quarantine or isolation) and (3) Corporate income tax 200% deduction on certain salary expenses.

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

Deferral of tax payments or by installments

On March 25, 2020 Taiwan Ministry of Finance (MOF) announced a special guideline allowing taxpayers having difficulties to make tax payments to apply for deferral of tax payments or by monthly installments.

Applicable period

The special guideline is applicable to tax payments due date fall between January 15, 2020 to June 30, 2021.

Applicable taxpayers

- Taxpayers having difficulties to make tax payments by the statutory deadline due to COVID-19 may apply for deferral of tax payments for a maximum of 12 months or by monthly installments of up to 36 months, without late payment interest, if meeting any of the following conditions:
 - For Business entities
 - Entitle to supportive measures under the relevant COVID-19 special relief and restoration regulations as announced by the relevant central competent authorities; or
 - Having significant decline in business revenue – for instance, monthly turnover dropping by 15% or more for two consecutive periods since January 2020, comparing to the average in past 6 months or 12 months.
 - For Individuals
 - Entitle to supportive measures under the relevant COVID-19 special relief and restoration regulations as announced by the relevant central competent authorities;
 - Under no paid or part paid leave scheme implemented by employer affected by COVID-19 situation with prior notification to the local labor affair authorities in-charge; or
 - Suffering from other situations due to COVID-19 (e.g. wage cut, lay off or having monthly working days dropped by 50% from original schedule for two or more months).

Applicable taxes

- Individual income tax, individual house and land transactions income tax, corporate income tax, VAT, commodity tax, liquor & tobacco tax, specifically selected goods and services tax, house tax, land value tax, vehicle license tax, and relevant interest and penalty of these taxes

Extension of tax filing and payment deadline under special circumstances of quarantine or isolation

On March 5, 2020 Taiwan MOF announced a tax ruling which grant affected taxpayers an extension to file and pay their taxes.

Applicable period

This ruling is applicable to tax filings or payments originally due between March to May 2020.

Applicable situations

- For individual taxpayers or company taxpayers whereas the representative person, in-charge accountant, or the CPA, booker engaged for filing the returns is under isolation or quarantine due to COVID19 during the original prescribed time limit of tax filing and payments.

Other relief measures

Apart from the above, the Taiwan government also released other relief policies covering VAT and customs supportive measures on certain medical supplies (e.g. protective masks, medicinal alcohol and its raw materials); temporary relief on house tax and vehicle license tax during its idle period in light of the current COVID-19 situation; and pro-rata exemption on VAT and amusement tax for taxpayers levied under special assessment basis during its business suspension period.



Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Other measures and sources
<p>Corporate income tax 200% deduction on certain salary expenses</p> <p>As part of the Special Act on COVID-19 Prevention, Relief and Restoration announced on February 25, 2020 to alleviate the social and economic impact, Taiwan MOF also announced a tax ruling on March 10, 2020 to provide guidance on how companies can deduct additional salaries expenses for employees who are affected by COVID-19.</p> <p>Applicable period</p> <p>The Special Act is applicable from January 15, 2020 to June 30, 2021</p> <p>Applicable expenditures</p> <p>Salaries, wages, service pay and other regular compensations paid to employees during their statutory leave period falling under any one of the following reasons:</p> <ul style="list-style-type: none"> – Under quarantine or isolation order from the various level of health department and authorities; – Taking care of dependent family members who is under quarantine and isolation order; or – Upon receiving special instructions from the epidemic command center of the central government. 	<p>Main sources of information</p> <p>Taiwan: Tax relief includes tax return filing, payment deferrals (COVID-19) : https://home.kpmg/us/en/home/insights/2020/03/tnf-taiwan-tax-relief-includes-tax-return-filing-payment-deferrals-covid-19.html</p>

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As of 03 April 2020

**General
Information**

A fiscal package worth approximately 400 billion baht, consisting of soft loans worth 150 billion baht, debt payments extension, tax benefits including reduction of withholding taxes, was unveiled on March 10 providing support for households including reducing and delaying utility bills. A second-phase package could be introduced if the slowdown continues.

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)
Business Income Tax

- WHT imposed on payment for services, hire of work, certain commissions, and professional fees will be reduced from 3% to 1.5% for the payments made from April 1, 2020 to September 30, 2020. The WHT will subsequently be reduced to 2% from October 1, 2020 to December 31, 2021 if the payment is made electronically.
- Eligible small and medium enterprises (SMEs) can claim a 150% deduction for interest expenses incurred on loans obtained under a funding initiative to provide THB 150 billion in soft loans to SMEs with an interest rate of 2% for the first two years

Payroll Tax

- SMEs employers can deduct 300% of eligible salary costs paid to employees in the period from April 2020 to July 2020 for corporate income tax purposes.

VAT

- VAT payers participating in the “good exporter” program will receive VAT refunds faster than usual. VAT refunds will be granted within 15 days (compared to a normal 30-day period) if VAT returns are filed via an e-filing system and within 45 days (compared to a normal 60- day period) for paper filings.

Filing/Payment Deadline Extension

- The filing deadline for individual income tax returns (form PND.90/91) is extended from March 31, 2020 (or April 8, 2020 for e-filings) to June 30, 2020.
- Corporate Tax PND.50 filing extended from 1 Apr – 30 Aug to within 31 Aug and PND.51 from 1 Jul – 29 Sep to 30 Sep
- VAT, SBT, and other tax filing extended by 1 month for affected businesses (those put under closure and other affected businesses considered under MOF discretion)
- Tax filing extension for entrepreneurs within Oil and Gas industry, including retail, to conduct tax filing within the 15th of the month after products are transferred out from factories. The extension covers from Apr to Jun 2020
- Tax filing extension for businesses in entertainment industry (nightclub, disco tech, pub, bar, cocktail lounge, extensively to restaurants with live music and closing time after 24:00, bathing houses and massage, and other related businesses such as horse gambling and golf club) to conduct tax filing within 15 Jul 2020

Personal Income Tax

- Tax deduction for health insurance from 15,000 to 25,000
- Tax exemption of risk associated costs for medical personnel

Employment-related measures

(e.g. state compensation schemes, training...)

Liquidity boosting for labor in affected industry

- Cash support of THB 5,000 for 3 months starting Apr to Jun 2020 for labor, temporary workers, freelance not registered under Social Security System (SSS). Individuals under SSS will received 50% of previous salary if the employer temporary halt employment
- Special loan of 10,000 per person, 0.1% interest rate, no collaterals needed
- Special loan of 50,000 per person, 0.35% interest rate, collaterals required
- Loans to government pawn shops to further boost liquidity for lower income citizens
- Hire purchase: Motorcycle loan amount net exceeding THB 35,000 and Other vehicle loan amount not exceeding THB 250,000. + Leasing with outstanding loan not exceeding THB 3 mn.
 - Extend principal and interest payment for 3 months or Principal payment freeze for 6 months
- House loans amount not exceeding THB 3 mn and SME loans, microfinance, and nanofinance amount not exceeding THB 20 mn
 - Principal payment freeze for 3 months and consideration for reduction in interest per customer

Measure to enhance skill for labor

- Seminar to enhance career skills or to arrange social activities

Liquidity boosting for Entrepreneurs

Soft loans not exceeding THB 3 mn per business, 3% interest rate for the first 2 years

SME Loan Restructuring

- Pre-emptive measure against NPL through interest reduction and extensive payment period. This to avoid being classified as Troubled Debt Restructuring (TDR), Credit Bureau, and to be classified as ordinary loan
- Loan Restructuring for NPL to promote to ordinary loan when loans are restructured, with 3 consecutive instalments paid off (from 12 instalments)
- Measures to support FIs and SFIs in classification of liquidity loan as ordinary loan (ordinary T&C and lower interest rate)
- Measures to support FIs to maintain unused credit lines
- Financial Institutions to closely monitor and monthly report milestones according to the measures, including outstand loans for SMEs, 21 days after the end of each month

Adjustment in roles of Financial Institutions and Banks

- Encourage restructuring on performing loans to prevent NPLs
- Consider extending payment terms, including payment period and interest rate
- Adjust/terminate penalty charges
- Consider other supportive measures for SMEs using credit cards and personal loans for liquidity due to high interest burden
- Determine framework on loan restructuring with various debtors

Measures to adjust/lower fees structure

- Prepayment penalty charge for SME loan and personal loan
- Default payment on mortgage, SME loan, and personal loan
- ATM and debit card fees



Economic stimulus measures
(e.g. loans, moratorium on debt repayments...)

Monetary policy

- Policy rate reduced by 0.25% from 1.25% to 1%*
- On March 22, announced a plan to ensure sufficient liquidity in the bond market by allowing commercial banks to use investment grade bonds as collateral to borrow from the central bank's lending facility of over 1 trillion baht (\$30 billion).
- On March 23: In an emergency meeting, policy rate has been further reduced by 0.25 basis points to a record low of 0.75%.

Measures on Credit card and small loans

- For commercial banks and SFIs: extend principal and interest payment for 3 months
- For other financial institutions, choose between: Extend principal and interest payment for 3 months or reduce instalment amount at least by 30% for 6 months

Measures on stabilization of bond market

Supportive liquidity for mutual funds (Mutual Fund Liquidity Facility):

- The Bank of Thailand will set up a specific mechanism which will ease liquidity to commercial banks that buy investment units of COVID-19-affected mutual funds in Money market fund and Daily fixed income fund, through collateralization of investment units for liquidity. The Bank of Thailand will continue the mechanism so until the market turns as usual

Supportive capital market for affected businesses

- The Thai Bankers' Association, Government Savings Bank, Insurance companies, and Government Pension Fund, together, will establish Corporate Bond Liquidity Stabilization Fund (BSF), amounting THB 70 to 100 bn, to inject liquidity via bond rollover
- Supportive measures to safeguard against Government bonds' volatility
- The Bank of Thailand will execute measures to stabilize government bonds, ensuring smooth, effective, and liquid market

Measures regarding submission of information for public limited companies

- SEC to discuss with Federation of Accounting Professions for the relaxation in impairment rules for listed companies
- SEC has discussed with Department of Business Development for the relaxation on restrictions involving annual general meeting (AGM). SEC allows for AGM to be conducted online or committees may use delegation
- Listed companies and other issuers, which are affected by the epidemic of COVID-19 and could not delegate an auditor due to postponement of annual general meeting, may themselves delegate a SEC-approved auditor, whom shall audit the Q1/2020 of the companies and submit financial statements. However, the company shall submit the auditor for approval in the next AGM.

Measures regarding submission of financial statement for limited companies and partnerships

- Partnerships and registered companies with financial year ended between 31 Oct 2019 to 31 Mar 2020 may submit their financial statement within 31 Aug 2020 (Additional submission of meeting-postponement letter required for limited and public limited companies)

Other measures and sources

Customs

- Custom exemption for imported goods related to curing, diagnosis, or prevention of COVID-19 until 30 Sept 2020

Tax and fee ease measure for debt-restructuring participants

- PIT and CIT exemption for debtor for income resulted from debt paid
- PIT, CIT, VAT, SBT, and Stamp Duty for debtor and creditor on income resulted from asset transferred, asset sold, or service offered and other instruments for the purpose of debt restructuring
- PIT, CIT, SBT, and Stamp Duty for debtor on income resulted from immovable property transferred as a mortgage collateralized for creditor for others aside from the creditor, and other instruments associating with the transfer.
- Relax regulations relating to non performing loans written off by creditor.

Main sources of information

- Thailand: Tax relief measures in response to coronavirus (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-thailand-tax-relief-measures-in-response-to-coronavirus.html>



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As of 03 April 2020

General Information

Vietnam plans to assist companies struggling amid the coronavirus outbreak with tax breaks, delayed tax payments and reductions in land lease fees. The assistance package totals USD 1.16 billion. A credit support and fiscal package of 280 trillion VND (\$12 billion) together. The former includes measures such as debt restricting and preferential interest rates, while the latter still needs to be confirmed.

Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> – Suspension of social insurance payments for businesses affected by the outbreak. 	<ul style="list-style-type: none"> – Central Bank has reduced policy rates by 0.25-1 percentage point – Several commercial banks have already lowered interest rates for businesses affected by COVID-19. 	<ul style="list-style-type: none"> – Textiles businesses, including several with no prior experience, have begun producing antibacterial masks after authorities announced a daily need of 10 million. <p>Main sources of information</p> <ul style="list-style-type: none"> – Ministry of planning and investment: http://www.mpi.gov.vn/en/Pages/timkiem.aspx?Keyword=Covid



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As of 03 April 2020

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources								
<p>The government initiated a series of adjustments to Barbados' tax platform in 2018 and 2019 that resulted in a reduction in corporate tax rates from 5.5 per cent to 1 per cent.</p> <table border="1" data-bbox="105 511 513 664"> <caption>2020 Corporate tax rates (non insurance)</caption> <tr> <td>\$0 - \$1 million</td> <td>5.5%</td> </tr> <tr> <td>\$1 - \$20 million</td> <td>3.0%</td> </tr> <tr> <td>\$20 - \$30 million</td> <td>2.5%</td> </tr> <tr> <td>Over \$30 million</td> <td>1.0%</td> </tr> </table> <p>Government has projected that the fall in economic activity will negatively affect the profit streams of corporations, the demand for properties and increased compliance issues. Consequently, corporation taxes and property taxes will likely be lower than were initially projected by between \$19 million and \$27.6 million, and between \$8 million and \$11.4 million, respectively.</p>	\$0 - \$1 million	5.5%	\$1 - \$20 million	3.0%	\$20 - \$30 million	2.5%	Over \$30 million	1.0%	<ul style="list-style-type: none"> - NIS Deferral -Employers who are retaining more than [three quarters/two-thirds] of their staff complement will be able to defer the employer's contributions to the NIS for the next three months in the first instance, with another three months if necessary. 	<ul style="list-style-type: none"> - Bank Financing -All banks have agreed to provide temporary working-capital financing options for corporate and small businesses directly impacted by COVID-19. - Fast track a number of government capital projects already funded by the Caribbean Development Bank: <ul style="list-style-type: none"> • The \$6.5 million, Speights town Flood Mitigation Project • The \$10.2 million Constitution River Flood Mitigation Project, and • The Fairchild Street, rehabilitation project (\$4.6 million). - Carry out much needed repairs on selected government buildings at a cost of \$20 million. - Carry out repairs to the Industrial Development Complex buildings which house mechanics and entrepreneurs at a cost of \$10 million. - Support and facilitate the Barbados National Oil Company Limited (BNOCL) and Barbados Light and Power Company Limited (BL&P) in engaging in a hedging exercise to lock in the currently low oil price for a period of up to two years. 	<ul style="list-style-type: none"> - Jobs, Investment and Business Survival program-Government is engaged with the private sector on a major Jobs, Investment and Business Survival program which will aim to: - Facilitate businesses to use the pause in activity to up skill and invest to come back stronger - Encourage banks to defer loan payments for businesses that get into short-term difficulty as a result of COVID-19; and - Ensure the early start, resumption or continuation of up to \$1 billion of private sector investments.
\$0 - \$1 million	5.5%										
\$1 - \$20 million	3.0%										
\$20 - \$30 million	2.5%										
Over \$30 million	1.0%										



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As of 03 April 2020

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)	Other measures and sources
<p>Regulatory response</p> <p>Bermuda Monetary Authority (BMA):</p> <ul style="list-style-type: none"> – BMA offered a one-month extension to the insurance annual statutory filings deadline – BMA announced it would not enforce the requirement of Bermuda-registered companies to hold physical Board Meetings in Bermuda in the first half of 2020 – According to a government release, the deadline is now 31 May 2020 for submitting CbC reports for periods ending between 26 March 2019 and 31 May 2019. The submission deadlines for reporting periods ending after 31 May 2020 have not changed. 	<p>Regulatory Authority of Bermuda (RAB):</p> <ul style="list-style-type: none"> – RAB issued an Emergency General Determination prohibiting disconnection from the electric grid if the consumer or a small businesses can demonstrate they have lost their income as a result of the pandemic – The Determination also prohibited increasing energy tariffs to small businesses and consumers without RAB's approval, for the duration of the pandemic <p>COVID-19 unemployment benefit:</p> <ul style="list-style-type: none"> – Covid-19 unemployment benefit was introduced on 25th March for eligible employees not claiming other forms of financial assistance. The benefit will provide a payment of 60% of gross earnings up to a maximum of \$500 a week. The benefit will be available to Bermudians, permanent residents and those work permit holders who cannot leave the island due to travel restrictions. <p>Eligible employees must have been either:</p> <ul style="list-style-type: none"> – Laid Off – Had their employment terminated – On mandatory medical quarantine without compensation from their employer, or – Self Employed individuals who are no longer employed as a result of Covid 19 	<p>Government fiscal response</p> <p>Customs duty relief:</p> <ul style="list-style-type: none"> – Customs duty relief was made available for Qualifying Personal Protective Equipment, provided the Equipment is used only in connection with disease control <p>Main sources of information:</p> <ul style="list-style-type: none"> – Unemployment Benefit: https://www.gov.bm/articles/unemployment-benefit – Bermuda Monetary Authority: COVID-19 NOTICE https://www.bda.bm/bermuda-monetary-authority-release/ – Regulatory Authority (COVID-19) Emergency General Determination 2020: https://www.ra.bm/documents/regulatory-authority-covid-19-emergency-general-determination/?wpdmdl=14628&refresh=5e7a5cfaa8601585077503 – Daily press releases and updates on the number of Covid-19 cases: https://www.gov.bm/coronavirus – Bermuda: Extended deadline for country-by-country reporting (COVID-19) : https://home.kpmg/us/en/home/insights/2020/03/tnf-bermuda-extended-deadline-for-country-by-country-reporting-covid-19.html



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As of 03 April 2020

General Information

Canada has announced new financial and tax measures in response to COVID-19. In addition to extending certain tax deadlines, Canada will provide a variety of financial measures for Canadian individuals and businesses affected by the COVID-19 outbreak.

The economic stimulus packages announced are highly focused on immediate needs and Canadian individuals. Economists anticipate additional stimulus for businesses will be released and updated as the pandemic unfolds.

On 18 March, the Government announced a further CAD 82 billion support package as part of its COVID-19 Economic Response Plan, including CAD 27 billion in emergency aid for workers and businesses and CAD 55-billion in tax deferrals.

As of March 27, 2020 the measures to support individuals and businesses announced to date represented roughly \$95B in direct support.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Nationwide

Filing/Payment Deadline Extension

- For individuals (other than trusts), the return filing due date will be deferred until June 1, 2020. However, the Agency encourages individuals who expect to receive benefits under the GSTC or the Canada Child Benefit not to delay the filing of their return to ensure their entitlements for the 2020-21 benefit year are properly determined.
- For trusts having a taxation year ending on December 31, 2019, the return filing due date will be deferred until May 1, 2020.

Tax payment relief

- Businesses will be able to defer payment of any income tax amounts until September 1, 2020. This deferral applies to tax balances and instalments that are owing on or after March 18, 2020 and before September 2020. These amounts will not be subject to interest or penalties during this period. This payment relief applies only to income tax payments, and does not apply to other payments such as GST/HST and employer payroll remittances.

Deferral of Sales Tax Remittance and Customs Duty Payments

- In order to provide support for Canadian businesses during these unprecedented economic times, the Government is deferring Goods and Services Tax/Harmonized Sales Tax (GST/HST) remittances and customs duty payments to June 30, 2020.
- The GST/HST applies to sales of most goods and services in Canada and at each stage of the supply chain. Vendors must collect the GST/HST and remit it (net of input tax credits) with their GST/HST return for each reporting period.
- Vendors with annual sales of more than \$6 million remit and report monthly, and those with annual sales of \$1.5 million to \$6 million are able to remit and report on a quarterly basis (or monthly if they choose to). Small vendors can report annually.
- HST, GST, and other tax payments will be deferred to June, estimated to free up \$30 billion in near-term liquidity for businesses.



Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)

Saskatchewan

Saskatchewan's Minister of Finance, Donna Harpauer, delivered a scaled-back version of the province's 2020 budget estimates on March 18, 2020. These estimates come in the wake of Saskatchewan's decision to postpone the release of its full 2020-21 provincial budget due to the COVID-19 pandemic and its related economic consequences.

The estimates anticipate government expenses of \$14.15 billion in 2020, but do not provide revenue estimates. The estimates do not include any changes to the province's personal or corporate tax rates for the current year. However, this release does refer to:

- A three year extension to the non-refundable Manufacturing and Processing Exporter Tax Incentive,
- A new PST rebate for new home construction
- A new PST registration requirements for certain e-commerce platforms and new incentives to support pipelines and the chemical fertilizer sector, among other changes.
- Saskatchewan also announced penalty and interest relief for tax filings directly affected by COVID-19, in a separate press release.

Administrative tax changes

- Interest and penalty relief for businesses: New tax filing relief for businesses directly affected by the COVID-19 outbreak was announced in a Saskatchewan information notice released March 17, 2020. Specifically, businesses unable to file their provincial tax returns by the due date may submit a request for relief from penalty and interest charges on their affected returns. Penalty and interest waiver requests can be submitted electronically through the Saskatchewan eTax Service,

Corporate tax changes

- Extension for Manufacturing and Processing Exporter Tax Incentive: The budget estimates propose to extend the non-refundable Manufacturing and Processing Exporter Tax Incentive by three years to 2022 (from 2019). This tax credit is available to eligible corporations that expand the number of manufacturing and processing related full time employees above the number employed in 2014. Eligible businesses must derive at least 25% of revenues from the export of their manufactured goods to the rest of Canada or internationally each year, among other requirements.

Quebec

Quebec has announced additional delays to certain tax filings and payments due to the COVID-19 outbreak:

- Following a previous announcement, Quebec has now agreed to introduce further delays to these deadlines to harmonize with new federal changes, and has additionally announced that partnerships will now have until May 1, 2020 to file their information return for 2019.

As a result of this new announcement:

- Corporations that have instalment payments or tax payments due between March 17, 2020 and July 31, 2020 will have more time to make these payments, at a date to be announced at a later time.
- The deadline for individual income tax returns is extended to June 1, 2020 (from April 30, 2020).
- An individual's tax and contribution payments will be extended to past August 31, 2020 (from April 30, 2020);
- The deadline for partnerships informative returns is extended to May 1, 2020.
- For a trust that has a tax due date on or before March 30, 2020 for its 2019 tax return, the payment due date will be extended to past August 31, 2020.
- The balance due date for tax instalments and taxes payable is extended to at least July 31 2020 for individuals, individuals with business income, and trusts

Quebec further announced on March 19, 2020 that it will harmonize with the federal government concerning its measure to reduce by 25% in 2020 the amount of mandatory withdrawal from a registered retirement income fund (RRIF).

CNESST is implementing exceptional flexibility measures for businesses. More specifically:

- Employers have until August 31, 2020 to pay their Statement of Account related to the CNESST contribution. In addition, no penalty or interest will be charged during this period.
- The deadline for submitting the 2019 statement of wages is extended. Employers have until June 1, 2020 to submit it.
- There will be tolerance in the application of time limits for the filing of complaints, for example for the transmission of documents necessary for an investigation.



Tax measures – Direct and Indirect (continued) (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)
<p>Quebec (continued)</p> <p>Flexibility for businesses filing taxes</p> <ul style="list-style-type: none"> For businesses: Revenu Québec will allow all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after March 17 and before September 2020. <p>Flexibility for tax-filing trusts and information-filing partnerships</p> <ul style="list-style-type: none"> Partnerships required to file their information return by March 31, 2020 will have until May 1, 2020 to file this return. Most trusts will be able to defer income tax and installment payments that become due as of March 17 and before September until after August 31, 2020. In addition, similar to the federal government, tax audit and collection activities will be temporarily suspended. Revenu Québec also indicated that it will be flexible with respect to payment agreements. <p>Flexibility for Businesses Filing Tax Returns</p> <ul style="list-style-type: none"> The CRA will allow all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after today and before September 2020. The CRA will not contact any small or medium (SME) businesses to initiate any post assessment GST/HST or income tax audits for the next four weeks. For the vast majority of businesses, the CRA will temporarily suspend audit interaction with taxpayers and representatives. In addition, the CRA has indicated that it will be flexible with respect to payment agreements and will consider requests for interest and penalty relief. 	<p>Temporary wage subsidy for small businesses</p> <ul style="list-style-type: none"> Small employers may be eligible for a temporary wage subsidy to help prevent lay-offs. This subsidy, which will be available for three months, will be equal to 10% of remuneration paid during that period, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. Businesses will be able to benefit from this support now by reducing their remittances of income tax withheld on their employees' remuneration. This measure applies to corporations eligible for the small business deduction, as well as non-profit organizations and charities. On March 27, 2020 the federal government increased the wage subsidy from 10% to 75%. <p>Work-Sharing program</p> <p>Employers who are directly or indirectly affected by a downturn in business caused by COVID-19 may want to consider whether they qualify for the federal Work-Sharing program. This program, which provides EI benefits for eligible employees as income support is designed to help eligible employers avoid layoffs during certain temporary reductions in business activity, such as the COVID-19 outbreak. To qualify, employers must generally:</p> <ul style="list-style-type: none"> Have been in business in Canada year-round for at least two years Be a private business, publicly-held company or a not-for-profit organization Demonstrate that the shortage of work is temporary and beyond their control Demonstrate a recent decrease in business activity of approximately 10% Submit and implement a recovery plan designed to return the Work-Sharing individuals to normal working hours by the end of the program. The program allows employers to reduce an employee's work schedule as follows: The program must last between six weeks and 76 weeks (the duration of the program was recently increased from a maximum of 38 weeks as a result of COVID-19). A reduction between a minimum of 10% (one half day) and a maximum of 50% (three days). In any given week, the work reduction can vary depending on available work, as long as the work reduction on average is between 10%-60% for the duration of the program.



Employment-related measures (continued)
(e.g. state compensation schemes, training...)

Supplemental unemployment benefits

- Employers may also take action to top up an employee's EI Sickness Benefits. Specifically, employers may establish a Supplementary Unemployment Benefit (SUB) plan for this purpose during a period of unemployment due to a temporary layoff for, among other things, sickness. Employers considering this plan should register a qualifying SUB plan with Service Canada, or else the benefit will be treated as income, and any EI benefits received may be reduced.

Temporary layoffs — Employer obligations

- Employers may choose at this time to temporarily lay off employees and cease compensation, where allowed under the relevant law. In this case, the employer and employee treat the employment relationship as ongoing, despite this interruption of the employee's work term, with the understanding the employee may resume working, in an equivalent position and on the same terms, in the future. Employers considering this course of action should remember that the rules in this area can vary significantly by province, including what constitutes a temporary layoff, how long such layoffs can last, and whether employers must provide advance notice.
- Generally, layoff periods are unpaid, unless otherwise provided under an employment agreement, company policy or collective agreement. However, employees may qualify for Employment Insurance under new eligibility criteria put in place by the federal government for COVID-19. However, employees may volunteer to use vacation time they are entitled to during a temporary layoff period and continue to receive pay. In addition, most employers are not legally required to continue benefit contributions during temporary layoffs, subject to certain provincial requirements. Employers should seek legal advice to determine the obligations they must comply with for their own particular situation.
- Another important consideration in this area is that many provinces have different legal requirements that apply to group/mass termination. In some cases, these rules can also apply to temporary layoffs.

Temporary Income Support for Workers and Parents

- Introducing the Emergency Care Benefit providing up to \$900 bi-weekly, for up to 15 weeks. This flat-payment Benefit would be administered through the Canada Revenue Agency (CRA) and provide income support to:
 - Workers, including the self-employed, who are quarantined or sick with COVID-19 but do not qualify for EI sickness benefits.
 - Workers, including the self-employed, who are taking care of a family member who is sick with COVID-19, such as an elderly parent, but do not qualify for EI sickness benefits.
 - Parents with children who require care or supervision due to school or daycare closures, and are unable to earn employment income, irrespective of whether they qualify for EI or not.

Longer-Term Income Support for Workers

- For Canadians who lose their jobs or face reduced hours as a result of COVID's impact, the Government is:
 - Introducing an Emergency Support Benefit delivered through the CRA to provide up to \$5.0 billion in support to workers who are not eligible for EI and who are facing unemployment.
 - Implementing the EI Work Sharing Program, which provides EI benefits to workers who agree to reduce their normal working hour as a result of developments beyond the control of their employers, by extending the eligibility of such agreements to 76 weeks, easing eligibility requirements, and streamlining the application process. This was announced by the Prime Minister on March 11, 2020.



Employment-related measures – Quebec
(e.g. state compensation schemes, training...)

Temporary Aid for Workers Program (TAWPCOVID-19)

- The Temporary Aid for Workers Program offers financial assistance to meet the needs of workers who, because they are in isolation to counter the propagation of COVID-19, cannot earn all of their work income and are not eligible for another financial assistance program.
- The lump-sum amount granted to an eligible person is \$573 per week, for a period of 14 days of isolation. If justified by your state of health, the coverage period for an eligible person could be extended to a maximum of 28 days.

Concerted temporary action program for businesses (included in the ESSOR program):

This funding program is targeted at companies whose cash flow is affected by the impact of COVID-19.

- This financial assistance is available to businesses operating in Québec, including cooperatives and other social economy enterprises with commercial activities. Eligible businesses are those that find themselves in a precarious situation and temporary difficulty as a result of COVID-19. They must show that their financial structure offers realistic prospects for profitability.

Eligible Projects:

Businesses must show that their cash flow issues are temporary and that the liquidity shortage stems from:

- A problem involving the supply of raw materials or products (goods or services)
- An inability, or a substantially decreased ability, to deliver goods, products or services
- Applications will be reviewed on a case-by-case basis, according to the business's circumstances and Investissement Québec's management practices.

Funding details:

- A loan guarantee is the preferred form of financing. Financing can also take the form of a loan from Investissement Québec.
- Barring exceptions (see next column), businesses in all industries are eligible to this program.

Temporary income support for workers and parents:

To assist Canadians affected by COVID-19 and quarantined, Service Canada is taking the following support measures:

- Improved access to EI sickness benefits
- Waiving the one-week waiting period for those individuals in imposed quarantine that claim Employment Insurance (EI) sickness benefits. This temporary measure is in effect as of March 15, 2020.
- Waiving the requirement to provide a medical certificate to access EI sickness benefits.

Longer-Term Income Support for Workers

The Canada Emergency Response Benefit (CERB) replaces and combines the previously announced Emergency Care Benefit and Emergency Support Benefit.

This program provides a taxable benefit of \$2,000 a month for up to four months for workers who lose their income as a result of COVID-19. CERB payments should begin within 10 days of application. The CERB will be paid every four weeks and will be available from March 15, 2020 until October 3, 2020.

The CERB is intended to cover for Canadians who:

- have lost their jobs, are quarantined, or taking care of someone who is sick with COVID-19 (and have no access to paid leave or other income support);
 - stopped working to care for children who are sick or have to stay at home because of school and daycare closures;
 - are wage earners or contract workers or self-employed individuals who would not otherwise be eligible for Employment Insurance (EI); or
 - are still employed but are not receiving income because of disruptions to their work situation due to COVID-19.
- In all of these cases, all Canadians who can no longer work because of COVID-19, whether or not they are eligible for EI, will have access to the CERB.

Longer-Term Income Support for Workers:

- Implementation of the Employment Insurance Shared Work Program. The special measures are effective from March 15, 2020 until March 14, 2021. This program provides benefits to workers who agree to reduce their normal working hours and share the available work due to new circumstances beyond their employer's control by increasing the eligibility period for shared work agreements to 76 weeks, relaxing eligibility requirements and simplifying the application process



Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

On 5 March, the Bank of Canada lowered the policy rate by 50 basis points. On 12 March, the Bank decided to lower rates by a further 50 basis points from 1.25% to 0.75%. On 11 March, Canada announced a 1 billion CAD COVID-19 Response Fund with an emphasis on health. On March 27, 2020 The bank of Canada further reduced its rate by an additional 50 basis to 0.25%.

Business Development Canada (BDC) now offers the following support for entrepreneurs⁷⁰:

- Small Business Loan of up to CAD 100 000 can be obtained online in 48 hours from time of approval;
- Working capital loan to bridge cash flow gaps and support everyday operations;
- Purchase Order Financing to increase cash flow to fulfil domestic or international orders with very flexible terms

Increasing credit

- As announced on 13 March, a new Business Credit Availability Program will provide more than CAD 10 billion of additional support to businesses experiencing cash flow challenges through the Business Development Bank of Canada and Export Development Canada. The Government is ready to provide more capital through these financial Crown corporations;
- On March 27, 2020 this \$10B was increased to \$22.5B, and it was noted that both organizations will partner with banks in providing loans of up to \$6.25M to help SMEs continue to function

Launch of an Insured Mortgage Purchase Program

- In order to purchase up to CAD 50 billion of insured mortgage pools through the Canada Mortgage and Housing Corporation (CMHC), as announced on 16 March. The Government will enable these measures by raising CMHC's legislative limits to guarantee securities and insure mortgages by CAD 150 billion each.
- The six largest financial institutions in Canada have made a commitment to work with personal and small business banking customers on a case-by-case basis to provide flexible solutions to help them manage through challenges, such as pay disruption due to COVID-19, childcare disruption due to school or day care closures, or those suffering from COVID-19. As a first step, this support will include up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products.

Interest-free loans

- The government will guarantee bank loans of up to \$40,000 for small businesses which will be interest-free for the first year, and under certain conditions, up to \$10,000 of the loans could be non-repayable. The total estimated loan portfolio is estimated to reach \$25B

Quebec: Outstanding loans and guarantees:

- Loan flexibility measures already provided by Investissement Québec can be implemented.
- Local investment funds (Fonds locaux d'investissement, or "FLI"): a three (3) month moratorium was introduced for the repayment (principal and interest) of loans already granted.

The FADQ is implementing measures for businesses in the agriculture and agri-food sector, including:

- A 6-month moratorium on loan repayment is available to all FADQ clients who apply for it. This period of payment holiday will reduce corporate obligations and provide liquidity for the coming months.
- For the Crop Insurance Program (ASREC), the membership date is extended from April 30 to May 21, 2020, and notices of assessment are extended from June 1 to July 1, 2020.

Supporting Canadian Business through the Canada Account

- The government is changing the Canada Account so that the Minister of Finance would now be able to determine the limit of the Canada Account in order to deal with exceptional circumstances
- This measure will allow the government to provide additional support to Canadian companies through loans, guarantees or insurance policies during these challenging times.

Helping Businesses Keep their Workers

The government is proposing to provide eligible small employers a temporary wage subsidy for a period of three months. The subsidy will be equal to 10% of remuneration paid during that period, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. It should be noted that to be eligible, the business must be eligible for the SBD, based on the following criteria:

- Less than \$15 million in taxable capital;
- Less than \$150K of passive income for the entire group.
- Businesses will be able to benefit immediately from this support by reducing their remittances of income tax withheld on their employees' remuneration.
- This measure also applies to non-profit and charitable organizations.



Economic stimulus measures (continued)
(e.g. loans, moratorium on debt repayments...)

Ensuring Businesses Have Access to Credit

The Business Credit Availability Program (BCAP) will allow the Business Development Bank of Canada (BDC) and Export Development Canada (EDC) to provide more than \$10 billion of additional support, largely targeted to small and medium-sized businesses. (See next section for details on the EDC program);

- Details of the BDC program recently communicated (these conditions may change at any time and depend on the BDC file analysis):
- Working capital loans of up to \$2 million with flexible terms;
- Pricing: variable rate only (base minus 1.75%: as of March 20, the variable rate was 5.05%, so the effective rate was 3.30%);
- Initial capital postponement of 12 months;
- 24-month amortization excluding initial postponement:
- 40% payable over the term of the loan following initial postponement;
- 60% payable at the end with balloon payment.
- Standard fees (loan processing, legal fees, waiting fees) apply.

EDC

Changes to bank loan guarantees (Export Guarantee Program and International Expansion Loan Program –for listed financial institutions);

Offered in conjunction with our partner financial institutions, EDC's Export Guarantee Program offers a payment guarantee to your financial institution, making it more inclined to provide you with additional cash. In the short term, we can:

- Increase working capital support by \$1 billion through our Export Guarantee Program and our International Expansion Loan Program.
- Provide a six-month payment extension period to our new and existing clients for guarantee fees.
- Simplify our enrollment procedures to provide cash flow support quickly.
- Increase our credit capacity in the market by easing our general appetite for credit.

Under the Business Credit Availability Program (BCP), EDC provides your financial institution with a guarantee on a client's one-year operating loan or one-year term loan. This guarantee provides incremental emergency liquidity to Canadian companies affected by the COVID-19 crisis, allowing them to pay their employees and cover their operating expenses in the short term. The key elements of this new program are as follows:

- A program based on the same principles as the Export Guarantee Program, but with a greater appetite for risk and targeting SMEs.
- A 75% guarantee given to your financial institution on the underlying credit facility.
- A maximum term of one year on an operating line of credit or a term loan secured by cash flows of C\$5 million or less.
- A streamlined process that builds on the underwriting and due diligence processes of EDC-approved partner financial institutions to ensure that SMEs have a quick access to working capital.
- The possibility of a six-month deferral for the payment of guarantee fees (payable to EDC).



Updated

Economic stimulus measures (continued)
(e.g. loans, moratorium on debt repayments...)

EDC (continued)

Changes to our trade finance guarantees (Account Performance Security Guarantee and Foreign Exchange Facility Guarantee) in our bonding products:

EDC's trade financing solutions eliminate the need for collateral, helping businesses to free up their working capital. In the short term, we can:

- Enhance support by 25% (limit for high-activity period) offered under the Account Performance Security Guarantee for up to US\$5 million in capacity;
- Simplify our enrollment procedures so that we can meet the needs of businesses during this difficult time and benefit from our increased appetite for risk;
- Reduce the rate for our Foreign Exchange Facility Guarantee by 30% and defer payment for six months.

Changes to the credit insurance solutions:

In the short term, the EDC is making changes to its insurance solutions (Portfolio Credit Insurance and Select Credit Insurance) to help businesses with temporary cash flow issues. Here is how:

- When assessing claims for new buyers, they are willing to take more risks than in the past.
- More flexible when the buyer's solvency has deteriorated.
- Plan to make premium payments more flexible, either by deferring or adjusting fixed payments.
- For the next three months elimination of the time limit for claims under the export policy, which will allow companies to submit a claim and receive a payment earlier than under normal policy conditions.

Supporting Financial Market Liquidity

The Government is launching an Insured Mortgage Purchase Program (IMPP). Under this program, the government will purchase up to \$50 billion of insured mortgage pools through the Canada Mortgage and Housing Corporation (CMHC).

Financement agricole Canada

For producers, agribusinesses and food processing industry:

- Deferral of capital and interest payments for a maximum of six months for existing loans or deferral of capital payments for a maximum of 12 months;
- Access to an additional line of credit of up to \$500,000, guaranteed by a general security contract or universal mortgage (in Quebec only).

Aviation

Finance Minister Bill Morneau announced that the government is waiving ground lease rents from March 2020 through to December 2020 for the 21 airport authorities that pay rent to the federal government. The government will also provide comparable treatment for PortsToronto, which operates Billy Bishop Toronto City Airport and pays a charge to the federal government. This support will help airports reduce cost pressures and preserve their cash flow as they deal with the effects of COVID-19 on their revenue streams. This will provide relief up to \$331.4 million, reflecting payments in the same period of 2018.



Other measures and sources

Main sources of information

- Canada: Extended tax deadlines, other tax relief (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-canada-extended-tax-deadlines-other-tax-relief-covid-19.html>
- Canada: Extensions of time for tax return filings, tax payments in Quebec: <https://home.kpmg/us/en/home/insights/2020/03/tnf-canada-extensions-time-tax-return-filings-payments-quebec-coronavirus.html>
- COVID-19 — Tax Deadline Delay and More Relief Announced: <https://home.kpmg/ca/en/home/insights/2020/03/covid-19-tax-deadline-delay-and-more-relief-announced.html>
- Canada: Managing tax and employment issues in response to coronavirus (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-canada-managing-tax-and-employment-issues-in-response-to-coronavirus.html>
- Prime Minister of Canada: <https://pm.gc.ca/en/news/news-releases/2020/03/18/prime-minister-announces-more-support-workers-and-businesses-through>
- Business Development Bank of Canada: <https://www.bdc.ca/en/pages/special-support.aspx?special-initiative=covid19>

Summary for initial \$649.5B support package – Cost estimates have not been updated by government for increases in funding where applicable

MEASURE	2020-21 COST	COMMENTS	IPMG ANALYSIS
1. DIRECT SUPPORT			
1.1. DIRECT SUPPORT TO INDIVIDUALS			
Emergency Care Benefit	\$1.0B + \$24.9B = \$25.9B (see notes on subsidies)	\$200 weekly 2 weeks for individuals whose work with COVID-19 who do not qualify for EI or a self-employed benefit or parents of those with kids due to school closures & unable to receive a paycheck.	Funding likely earmarked to assist direct-individual with limited consulting spend potential.
1.1.1. Longer Term Income Support for workers	\$1.0B	For individuals being unemployed but do not qualify for EI.	Funding likely earmarked to assist direct-individual with limited consulting spend potential.
1.1.2. Canada Support for self-employed workers	\$2.0B (20% of total direct support)	Coupling maximum GST credit (average weekly basis) for individuals, \$200 for couples.	Funding likely earmarked to assist direct-individual with limited consulting spend potential.
1.1.3. Canada Support for self-employed workers	\$1.0B (10% of total direct support)	Addressing immediate needs of rural, remote & First Nations communities.	IPMG may consult on a needs assessment of the identified areas requiring immediate support and roll-out of funding.
Canada Student Loan Payments	\$1.0B (1% of total direct support)	6-month interest free moratorium on repayment of student loans for those currently studying - starts early April (Phase 2) only.	Funding represents moratorium likely with limited consulting spend potential.
Lower RPP minimum withdrawal amounts	\$300M (0% of total direct support)	Reduce minimum required RPP withdrawal by 25% for 2020 flexibility.	Funding represents reduction in withdrawal amounts likely with limited consulting spend potential.
Support for workers in shelters & vulnerable settings	\$157.5M (1% of total direct support)	For "Working Home" program (outreach beds, medical services for food, clothing, accommodation to reduce overcrowding situations).	IPMG IAC Operations may assist consulting in this matter. For the program's strategy, financial, single economic and expenses, include consulting fees for (i) capital investments to increase capacity or improve the quality of facilities; (ii) operational expenses, site selection, additional support; (iii) administrative expenditures (contracting for IT, security).
Support for women's shelters & vulnerable settings	\$157.5M (1% of total direct support)	Assist with capacity to manage or prevent business in their facilities.	IPMG Operations or IAC may consult on best practices around contractual planning and operational recovery plans for Canadian shelters.
1.2. DIRECT SUPPORT TO BUSINESSES			
Temporary Wage Subsidy for Employees Paying Business Taxes	\$1.0B (14% of total direct support)	For period of 3 months, initially equal to 10% of remuneration paid during that period. Maximum of \$1,200 per employee & \$20,000 per employer. Immediate benefits by reducing remittance of income tax withheld on employee remuneration (small/mid-size businesses).	Although government measure currently targeted to unaffiliated businesses, IPMG may also explore reducing remittance of income tax withheld for employees to enable cash preservation.
2. INDIRECT SUPPORT & TAX DEFERRALS			
2.1. INDIRECT SUPPORT TO INDIVIDUALS			
Flexibility for Individual Taxpayers	\$200 = \$2.0B (additional support)	Individual tax deadline deferred until June 1, 2020 (except those who receive benefits under GST Credit or Canada Child Benefit). Tax due deadline deferred until May 1, 2020 for trusts with year-ends on Dec 31, 2019.	Represents increased income tax payment flexibility directly due to the deferred deadline. Limited consulting potential.
2.2. INDIRECT SUPPORT TO BUSINESSES & MARKET			
Flexibility for Business Paying Taxes	Part of \$10B above + \$200 = \$10.2B (see notes on subsidies, see also \$10B for support)	Income Tax Payment deadline deferred until after Aug 31, 2020 for amounts that become owing on or after March 18, 2020 and before September 2020.	Represents increased income tax payment flexibility directly due to the deferred deadline. Limited consulting potential.
TOTAL DIRECT + TAX SUPPORT \$62.4B (As reported by news outlets representing quarter of activity)			

MEASURE	2020-21 COST	COMMENTS	IPMG ANALYSIS
Business Development Bank of Canada (BDC)	\$1.0B = \$1.0B (additional support)	Business Development Bank of Canada (BDC) & BDC to provide additional credit - focus on edges, all transport & tourism for small & medium businesses.	IPMG has several ongoing relationships at BDC Development Canada, Strategic Relations for both (Shane O'Donnell, Vice President) & BDC (Teddy Co. Lines & Donald). IPMG Personal PRM. Potential to leverage existing relationships for IPMG Operations to provide on-site support.
Food & Financial Relief Loans	\$100 = \$10.1B (additional support + \$100M in already free loans \$100M each at 1-10% negative)	Financial institutions to provide 6-month payment deferral for mortgages & opportunity for relief on other credit products. Canada Mortgage & Housing Corporation (CMHC) permitting lenders to offer payment deferral, loan re-arrangement & special interest arrangements. CMHC's facilitation of Financial Institutions (FFIs) immediately issuing Commercial Lending Buffer to 1-20% of risk-weighted assets allowing lenders to meet 2020 risk-weighted requirements of mortgage assets through CMHC or re-	IPMG has several ongoing relationships at BDC Development Canada, Strategic Relations for both (Shane O'Donnell, Vice President) & BDC (Teddy Co. Lines & Donald). IPMG Personal PRM. Potential to leverage existing relationships for IPMG Operations to provide on-site support. CMHC may also explore reducing remittance of income tax withheld for employees to enable cash preservation.



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As of 03 April 2020

General Information

The Ministry of Financial Services has instituted its business continuity plan to minimize staff risk and maintain the confidence of the financial services industry in the midst of the COVID-19 pandemic. The Cayman Islands Centre for Business Development opened on Monday, March 23 2020 and provides support to small businesses across the Islands especially during the COVID-19 crisis.

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Annual Fees Deferred</p> <p>As of 26 March 2020, the Cayman Islands Government has deferred the obligation to pay annual fees until 30 June 2020 for corporate entities registered in the Cayman Islands. This fees deferral applies to all companies, including limited liability companies and foundation companies. Exempted liability partnerships (ELPs) will also have their annual fees and annual return filings deadline extended until 30 June 2020.</p> <ul style="list-style-type: none"> — News of the fees deferral accompanies the Ministry of Financial Services' 25 March 2020 announcement that the annual return filing deadline for all companies had been extended until 30 June 2020. Companies and ELPs that fail to file their annual returns and/or pay their annual fees by the 30 June 2020 deadline will be subject to penalties as of 1 July 2020. — In addition to the fee deferrals and filing extensions, a number of other measures have been taken by the Registrar of Companies and the Department for International Tax Cooperation such as virtual certification of documents, the extension of beneficial ownership submissions and the extension of Economic Substance Notification filings. 	<p>Butterfield, Cayman National Bank and RBC Royal Bank are implementing measures to provide financial relief to clients impacted by the COVID-19 health crisis.</p> <ul style="list-style-type: none"> — In addition to lowering personal lending and mortgage rates, which became effective on 23 March 2020, Butterfield is introducing a three-month automatic payment deferral on all residential mortgages and personal loans in good standing, meaning customers will not be making principal and interest payments for the next three months and any penalties will be waived. Butterfield will also introduce a payment deferral on credit cards for two months beginning in May, so that customers can skip May and June monthly payments without incurring any late fees. — Butterfield business customers with remaining loan principal of up to \$2 million, who are facing difficulties, can pay interest only on their next three monthly loan payments with no penalties. — RBC Personal banking clients in the Caribbean will immediately benefit from an automatic three-month payment deferral on credit facilities. Business and corporate banking clients are also eligible for the relief program, once they have been assessed by an RBC representative. Automatic payment deferrals will be applied as of 17 March 2020 and remain in effect until 30 June 2020, or until further advised. — Cayman National will assist clients in good standing by waiving up to three months of loan payments. He asked clients to contact their loan officers to take advantage of this assistance. 	<ul style="list-style-type: none"> — The services being offered by the Centre to the public focus on business continuity training and coaching. Small and medium-sized enterprises with an urgent need for assistance with cash flow management, business impact analysis or those needing to redesign or re-think their business models, are urged to contact the Centre. — The Centre is offering a number of training and coaching sessions at this time. These sessions include topics such as; Smart Measures for Business Continuity, Best Practices for Handling Cash Flow Crisis, Contacting a Business Impact Analysis, Business Model Innovation, Social Media Marketing, among other areas. The Centre will also work with small businesses to them to be in a position to renegotiate existing loans with commercial banks or to request and access a period of moratorium on loans. <p>Main sources of information</p> <p>Department for international tax cooperation: http://www.ditc.gov.ky/</p> <p>General registry: https://www.ciregistry.ky/</p>

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As of 03 April 2020

Updated

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Tax relief in response to coronavirus (COVID-19)

A deadline extension has been granted regarding the filing and payment of tax obligations related to Corporate Income Tax ("CIT"), Individual Income Tax ("IIT"), as well the Simplified Tax Regime ("RST"), as follows:

- Extended deadline payment for April 30, 2020:
 - Income Tax Return for taxpayers operating under the RST;
 - First payment of IIT for individuals and Agricultural businesses operating under the RST;
 - First payment of IIT for individuals and purchases under the RST;
 - Filing of IIT and Undivided Estates returns (IR-1 Form);
 - Filing of Informative Return on Operations between Related Parties ("DIOR") for entities/individuals with fiscal year ending in September 30, 2019.
- Extended deadline payment for May 29, 2020:
 - Filing of CIT return (IR-2 Form);
 - Filing of IIT for Individually Owned Businesses ("Negocios de Único Dueño" per its name in Spanish);
 - First payment of Asset Tax for Legal Entities and Individually Owned Businesses;
 - First payment of CIT for legal entities whose Fiscal Year (FY) ends on December 31;
 - Non-For-Profit entities whose FY ends on December 31.
 - Allowing taxpayers that, after having filed their CIT/IIT returns, are required to pay additional CIT/IIT before the DGII, may settle the remaining CIT/IIT through deferred payment arrangements of up to 4 equal and consecutive installments; which will be exempted from the surcharges and interest ordinarily applicable to overdue payments.
 - Allowing installment arrangements of up to 4 installments regarding the Value Added Tax ("VAT") applicable to the February 2020 period; whose filing and payment deadline has been deferred from March 20, 2020 to March 30, 2020; meaning that there will not be applied a compensatory interest calculation.
 - Reducing by 50% the amount of any currently active installment payment arrangements, duplicating the previously agreed-upon deadlines, as well as the number of installments. In addition to, payment deferral of the installments due on April, May and June, 2020. Accordingly, the validity period of all payment agreements has been automatically extended by 3 months, except for the payment agreements related to: (i) February, 2020 VAT Return (IT-1 Form); and (ii) the CIT for taxpayers whose FY ends on December 31.
- Facilitate tax compliance for taxpayers with outstanding tax obligations in connection with payment arrangements, free of penalties.
 - Ceasing temporarily to apply the corresponding rate from Advanced Pricing Agreements (APAs) for the hospitality industry.
 - Digitalization, via the Virtual Office (OFV), of the exemption requests related to VAT and Excise Tax (ISC), expressly provided for under applicable law, regulations and congressionally approved contracts.
 - Enabling the OFV to request the issuance of a vehicle's first license plate.
 - Extension on the presentation and payment, in the next 3 fiscal periods (i.e. March, April, and May of this year), of the following obligations: Tax on Casinos, tax on slot machines, single tax on sports betting banks, and single tax on lottery banks.
 - Simplification of the procedures for the Trustees that promote low-cost housing.
 - Elimination of the surcharge for late import declaration, by request submitted to the General Agency for Customs (DGA).
 - Days of March 2020 and up to 3 business days after the lifting of the state of emergency will not be taken into account for the calculation of the terms of stay of the merchandise in the Deposit Regime, under any of its modalities: tax, re-export and cargo consolidation.
 - The DGA will not take into consideration the days of quarantine for ruling the abandonment of merchandise.
 - Enabling digital reception of the following requests: (i) tax exemption requests from Law No. 253-12; (ii) tax exemption requests according to provision No. 7204; and (iii) World Trade Organization Quota Authorizations.
 - Exemption from the payment of CIT/IT advances for the fiscal period of March, 2020, whose due date is April 15, 2020. The exemption shall not apply to large national taxpayers, not including those with legal barrier to operate during the state of emergency (e.g. airports, travel agencies, shopping malls, hotels, tour operators). Taxpayers who are subject to the payment of CIT/IT advances but due to particular circumstances cannot make the corresponding payment, can request total or partial exemption from this obligation.
- Furthermore, since March 24, 2020, the DGII's Local Administrations, Service Centers, Collection Offices, Payment Offices, and Motor Vehicle Offices, have been temporarily closed for in-person assistance. Nonetheless, the Contact Center, Phone Line, and Social Media sites, will be available Monday through Friday from 8:00 a.m. to 1:00 p.m. The OFV can be accessed 24/7. The DGII also gave access to a remote service email per Local Administration.



Updated

As of 03 April 2020

Employment-related measures

(e.g. state compensation schemes, training...)

- The Employee Solidarity Assistance Fund (ESAF) has been created by the Government of the Dominican Republic, to cover part of the salary in companies with economic difficulties. This program consists in the contribution of DOP\$8,500.00 per month to formal employees. Certain conditions will apply, specially in regards with the suspension of labor contracts and a coverage from the employer in certain cases of different tranches of the minimum salary per sector.
- Resolution No. 62-20 was issued, where the Congress authorizes the President to declare a state of national emergency for up to 25 days and allows the President to: (i) restrict freedom of transit and freedom of association and assembly; (ii) adopt measures to guarantee medical services and provisions; and (iii) adopt measures to support the economic sector, as a way to protect employment and the income of workers.
- Resolution No. 07/2020 was issued by the Ministry of Labor, and mentions witch companies are allowed to stay open: "... [those] that are engaged in basic activities for the population: supermarkets, grocery stores, gas stations, pharmacies and commercial establishments dedicated to the sale of raw or cooked food, industrial sector companies, free zones and agricultural companies among others". For the purposes of this Newsletter, we will consider these as Category 1 companies. The businesses mentioned, may operate during the 15-day period of the quarantine. This resolution states that, although Category 1 companies may remain open, they must promote telework, increase safety and hygiene measures, implement flexible work shifts (making an effort to not substantially affect their production or their employees' salaries) and, in general term, apply all necessary measures to avoid large crowds at the work place.
- The Ministry of Labor urged employers to grant paid vacations to all workers who qualify for them. In the same sense, the workers who have not acquired the right to vacations, will be advanced a week of vacations, as well as an additional week of salary in charge of the company.
- The Treasury of the Social Security informed that during the state of emergency and up to 30 days after the lifting of such, both public and private employers may make their payments free of surcharges.

Updated

Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p><u>Special regulatory treatment measures for the financial system:</u></p> <ul style="list-style-type: none"> – Authorize financial institutions to freeze the ratings and provisions of the debtors at the level such where at the time of the approval of the Resolution. – Authorize that credit restructuring that implies a modification in the payment conditions, interest rate, terms and installments, among others, may maintain the same risk rating of the debtor when it is restructured. In other words, this means that the debtor's credit rating would not be reduced due to problems caused by payment arrears as a result of the current situation. – Authorize to consider as not overdue installments related to disbursed lines of credit for a period of 60 days. This measure includes a waiver of the loan principal payment in that period, benefiting the debtor's cash flow. – Extend for 90 days the period granted to the debtor for the updating of guarantees corresponding to the appraisals. This measure will provide greater flexibility to the debtor who will have more time to comply with the requirement to update their guarantee. <p><u>Interest rate measures:</u></p> <ul style="list-style-type: none"> – Reduce the Monetary Policy Rate (MPR) by 100 basis points, from 4.50% to 3.50% per year, with the aim of encouraging a general decrease in interest rates in the financial system through the monetary policy transmission mechanism. – Likewise, and with the purpose of providing liquidity at a low cost to financial institutions, a decrease of 150 basic points in the interest rate of the permanent liquidity expansion facility (overnight repurchase agreement) was approved, passing from 6.00% to 4.50% annually. – Additionally, it was decided to reduce the interest rate on short-term interest-bearing deposits at the Central Bank (Overnight), from 3.00% to 2.50% per year. This measure contributes to reducing the interbank interest rate and, therefore, reduces the cost of funding for financial institutions. <p><u>Liquidity provision measures to the financial system:</u></p> <ul style="list-style-type: none"> – USD\$417 millions will be destined to loans for households, micro, small and medium-sized enterprises, the trade sector, productive sectors, tourism and the export sector, with a maximum interest rate of 8.0% per year and will not be considered in the calculation of the solvency index. – Providing liquidity to the market for more than USD\$500 million, to inject liquidity in foreign currency and to temporarily relax the coverage requirements of the legal reserve in foreign currency of multiple banks. <p><u>General Measures by Private Banks (varies per bank):</u></p> <ul style="list-style-type: none"> – 0% of default interest in the payment of consumer and commercial loans during the emergency period. – 0% commission for late payment of personal and commercial loans requested. – Elimination of the minimum monthly payment on the balance of credit card debt. – Extension for credit card payment after its deadline. 	<ul style="list-style-type: none"> – The suspension and generation of late charges in public telecommunications and energy supply services were prohibited by Resolution No. PRE 02-2020 and SIE-016-2020-MEMI, respectively.



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As of 03 April 2020

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Other measures and sources
<p>Filing/Payment Deadline Extension</p> <ul style="list-style-type: none"> – Extension of electronic filing period without penalties for the 2019 informative returns due to COVID-19. The period for filing of informative returns corresponding to the 2019 tax year is extended; these informative returns must be completed and filed via SURI no later than April 15, 2020, to avoid penalty assessments. – Extension of filing period for income tax returns and its corresponding payments.- For pass-through entities and other taxpayers that have income tax returns due during March 2020, the PRTD granted an additional extension of the returns and payments until April 15, 2020 (including the payments due with returns, extensions and estimated income tax due on March 16, 2020).- For taxpayers with income tax returns due on April 15, 2020, the PRTD granted an additional extension of the returns and payments (including the payments due with returns, extensions and estimated income tax) through May 15, 2020. – Payment plans moratorium. Taxpayers economically affected by COVID-19 and the closure order will not be required to follow the terms of a payment plan between the period March 16, 2020, and April 30, 2020. The PRTD will not be imposing interest and penalties for non-compliance with the payment plans. If there is a notice for interest and penalties, the taxpayer may submit a request to eliminate such charges. <p>Suspension of Tax Audits</p> <ul style="list-style-type: none"> – Extension of administrative terms due to COVID-19. – An additional 120 days, added to the period established in any notification issued by the PRTD of mathematical error or adjustment in returns – An additional 90 days added to the expiration date for filing administrative complaints and for the presentation of information or documents required by the PRTD's Office of Administrative Appeals when the expiration date falls on a date from March 12, 2020, and later – Automatic extension of all administrative hearings to be held from March 16, 2020, until June 15, 2020 (thereafter, taxpayers are to be notified of the new date(s)) – An additional 120 days to allow clearance of any debt-review letter issued on or before March 12, 2020 	<p>Main sources of information</p> <p>Puerto Rico: Tax deadline extensions, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-puerto-rico-tax-deadline-extensions-coronavirus.html</p>

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As of 03 April 2020

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. compensation schemes, training...)</i>
<ul style="list-style-type: none"> – VAT refunds to be paid to people owed up to \$250,000 in March. Payment of VAT Bonds will begin next month. – The Government to priorities its payment of debt to businesses to facilitate job preservation. 	<ul style="list-style-type: none"> – Covering 75% of the salary of employees sent into technical unemployment by companies affected by the coronavirus crisis <p>Social protection measures</p> <ul style="list-style-type: none"> – The criteria for sending employees into technical unemployment and minimum income ensured for freelancers working in industries where activity is reduced or interrupted due to the pandemic. – The conditions for granting free paid days to parents, in order to supervise their children during the temporary closure of educational establishments. – The online submission of the documentation needed in order to gain access to social benefits. – The measures for ensuring continuity in the granting of return to work incentives and child care allowance, as well as for facilitating access to medical leave and medical leave indemnities for quarantined persons.



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<ul style="list-style-type: none"> – The Trinidad and Tobago Mortgage Finance and Home Mortgage Bank to begin payment deferrals for three months in the first instance. – The Government has asked the Housing Development Corporation and The Trinidad and Tobago Mortgage Finance Company Ltd. to defer rental and mortgage payments for one month in the first instance. – Interest rates on credit cards will be reduced by amounts ranging from 10% to 17% of the existing rates, on a bank by bank basis. This means that First Citizens Bank, for example, has agreed to reduce its credit card interest rate from 24% to 20% and Republic Bank will reduce its interest rate from 24% to 21%, and so on. It should be noted that this position on credit card interest rates was erroneously communicated in the discussions held over the last two days, where it was communicated in error that rates would be reduced by 10 percentage points to 14%. The banks have also been requested to make further reductions in credit card interest rates for small businesses and affected individuals. – The Central Bank announced a reduction in the reserve requirement for the commercial banks from 17% to 14% and a reduction in the repo rate by 150 basis points from 5.0% to 3.5%. These actions will inject an additional \$2.6 billion in increased liquidity into the commercial banking system and as a result, we have been advised by the commercial banks that this should cause an immediate reduction in the prime lending rate of 1.5 percentage points to 7.75%. – The commercial banks drop their prime lending rates further to 6% and to reduce the spread between lending rates and deposit rates. – The commercial banks have agreed to provide a one-month moratorium (skip a payment) on mortgage loan and instalment loan payments, without any penalty and to waive penalty interest on overdraft facilities. – The allocation of Foreign Exchange to be increased for the purchase of essential items such as pharmaceuticals and basic food items. – Government will provide \$100 million to the Credit Union movement to allow them to provide loans to their members at favorable interest rates with a long repayment period beginning after the situation normalize- The objective of the program would be to provide liquidity support to individuals and those small businesses who qualify for credit union loans. Individuals and businesses who access the program will be expected to repay the loans advanced to them within 12 months after the end of the affected period. These loans will attract a reduced interest rate of 50% of the existing credit union interest rate, i.e. from 12% to 6%, and will be supported with funding from the government. – Government will provide \$50 million as part of a grant facility for Tobago hoteliers to upgrade their premises. Government will also supplement the THA's Enterprise Development Facility with up to an additional \$5 million 	<ul style="list-style-type: none"> — A Salary Relief Grant will be provided to citizens who have lost income as a result of the impact of COVID-19. They will have access to \$1500 per month over a three-month period from the National Insurance Board. — Food Card support of \$510.00 per month for three months for households where a family member was retrenched, terminated or income reduced during this period. — The Government will pay all persons who are owed income tax refunds of \$20,000 or less next week. — Government to increase social services grants and the number of available food cards. Students currently under the School Feeding Program will be absorbed under the food card program. — All permanent residence and citizenship interviews will be suspended until further notice. All applicants will be contacted with new dates of appointments. Persons who were unable to leave Trinidad and Tobago by 22nd March, those whose landing certificates may have expired or those whose certificates will expire by 30th April, will be granted an extension of stay until June 22nd 2020.

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As of 03 April 2020

General Information

Phase 1 (March 6, 2020)–Coronavirus Preparedness and Response Supplemental Appropriations Act, HR 6074

— \$8.3 billion in aid: Initial funding and support for vaccine development

Phase 2 (March 18, 2020)–Families First Coronavirus Response Act, HR 6201

— \$105 billion in aid: Paid sick leave, unemployment and food assistance

Phase 3 (March 27, 2020)–Coronavirus Aid, Relief, and Economic Security Act, (CARES Act), HR 748

— est. \$2.3 trillion in aid: Major individual and business assistance and economic stimulus, the largest package addressing COVID-19 to date.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Tax Administration Response to COVID-19, Federal tax filing and payment deadline extensions

The IRS released two Notices (IRS Notices 2020-18 superseding, IRS Notice 2020-17) providing certain taxpayers with federal tax filing and payment relief.

- The IRS Notices were issued pursuant to the President’s March 13, 2020 “Emergency Declaration” relating to the coronavirus 2019 pandemic.
- Any person with a federal income tax payment or a federal income tax return due on April 15, 2020, is affected by the COVID-19 emergency for purposes of the notice is eligible for filing and payment deadline relief.
- The due date for filing federal income tax returns and making federal income tax payments due on April 15, 2020, is automatically postponed to July 15, 2020. Taxpayers do not have to file Form 4868 or Form 7004 to apply for extensions to file their returns.
- There is no limitation on the amount of the payment that may be postponed.
- The relief only applies for federal income tax payments (including payments of tax on self-employment income and estimated federal income tax payments) due on April 15, 2020, in respect of an affected taxpayer’s 2019 tax year, and federal estimated income tax payments (including payments of tax on self-employment income) due on April 15, 2020, for an affected taxpayer’s 2020 tax year.
- There is no extension provided by the notice for the payment or deposit of any other type of federal tax, or for the filing of any federal information return.
- The relief is extended to any type of taxpayer, such as an individual, a trust, an estate, a corporation, or any type of unincorporated business entity.
- There will be no accrual of interest, penalties or addition to tax for a failure to pay for the period beginning on April 15, 2020, and ending on July 15, 2020. Interest, penalties, and additions to tax with respect to amounts of postponed federal income tax payments will begin to accrue on July 16, 2020.

- Certain states or local governments have offered tax relief on extensions of time to file and to pay upcoming state and local taxes, as well as additional information on matters such as agency shutdowns.

Legislative Response to COVID-19, Business Tax Provisions

Delay in employer and self-employment payroll taxes

- Employers and self-employed individuals may defer payment of the employer share (6.2 percent) of the Social Security tax they otherwise are responsible for paying with a due date after the date of enactment. Fifty percent of the deferred payroll taxes are due on December 31, 2021, and the remaining amounts are due on December 31, 2022.

Employee retention credit

- The law provides a refundable payroll tax credit for 50% of “qualified wages” paid by certain employers to employees. The credit is available to eligible employers carrying on a trade or business in calendar year 2020 whose: (1) Operations were fully or partially suspended, due to orders of a governmental entity that were related to the COVID-19 crisis, or (2) Gross receipts declined by more than 50% when compared to the same quarter in the prior year. For employers with greater than 100 full-time employees, qualified wages are wages paid to employees when they are not providing services due to COVID-19 circumstances. For eligible employers with 100 or fewer full-time employees, all employee wages qualify for the credit. The credit is capped at the first \$10,000 of compensation, including health benefits, paid to the employee. The credit is refundable to the extent it exceeds the employer portion of social security taxes reduced by the paid sick leave and paid extended FMLA established the Coronavirus Phase 2 legislation. The provision is effective for wages paid or incurred from March 13, 2020 through December 31, 2020.

Modification of charitable contribution limit for corporations

- The law increases the limitations on deductions for charitable contributions for corporations who make cash or certain food inventory contributions in 2020 to 25% of taxable income, subject to certain restrictions.

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

Changes to NOL Rules

- Suspension of NOL 80% of taxable income limitation for 2018-2020: The Tax Cuts and Jobs Act imposed a 80% of taxable income limitation on the use of NOLs, which applied to NOLs arising in tax years beginning after December 31, 2017. The law temporarily suspends the 80% of taxable income limitation on the use of NOLs for tax years beginning before January 1, 2021, thereby permitting corporate taxpayers to use NOLs to fully offset taxable income in these years regardless of the year in which the NOL arose.
- 5-Year carryback of NOLs generally permitted for 2018, 2019, and 2020: The law grants taxpayers a five-year carryback period for NOLs arising in tax years beginning after December 31, 2017 and before January 1, 2021 (i.e., calendar years 2018, 2019, and 2020). Taxpayers may elect to relinquish the entire five-year carryback period with respect to a particular year's NOL, with the election being irrevocable.
- In general, as a result of the law, there are now three buckets of federal NOLs, as shown in the following table:

NOL Generated in Tax Years	Eligible for Carryback	Eligible for Carryforward	Eligible to Offset % of Taxable Income
Beginning on or before December 31, 2017	2 tax years	20 tax years	100% of taxable income
Beginning after December 31, 2017 and beginning before January 1, 2021	5 tax years	Indefinite	100% of taxable income (prior to 2021) 80% of taxable income (after 2020)
Beginning on or after January 1, 2021	Generally, no carryback	Indefinite	80% of taxable income

Temporary changes to business interest expense disallowance rules (section 163(j))

- For tax years beginning in 2019 and 2020, the 30% limit on ATI is increased to 50% for corporations. For partnerships, the 50%-instead-of-30% ATI rule does not apply to a partnership tax year beginning in 2019, but (unless a partner otherwise elects out) for any of the partnership's 2019 excess business interest expense that is allocated to a partner under section 163(j)(4)(B)(i)(II): 50% of that excess business interest expense will be treated as business interest that is paid or accrued by the partner in its first tax year beginning in 2020 and will not be subject to the limits of section 163(j)(1). It is thus deductible in such tax year (subject to any other limitations that may apply), and the other 50% will be subject to the limitations of section 163(j)(4)(B)(ii) in the same manner as any other excess business interest so allocated. Taxpayers can elect not to have the 50%-of-ATI rule apply to any tax year.

Note: For any tax year beginning in 2020, taxpayers can elect to use their ATI from their last tax year beginning in 2019 for their ATI in the 2020 tax year.

Corporate alternative minimum tax relief

- The law accelerates the ability of corporations to utilize any remaining minimum tax credits they may have. The law now allows a 50% credit for 2018 and 100% credit for 2019, with an option to elect to claim the entire refundable credit amount for 2018.

Relief from loss limitation rules for non corporate taxpayers

- Suspends the excess business loss limitation under section 461(l) for tax years beginning prior to January 1, 2021 (i.e., calendar years 2018, 2019, and 2020).

Qualified Improvement Property technical correction: Qualified Improvement Property (QIP) technical correction

- The Act modifies the recovery period for qualified improvement property to 15 years (20 years for ADS). The change allows QIP depreciated at 15 years eligible for the additional first-year depreciation deduction ("bonus depreciation") under section 168(k). Due to the fact that this change is a technical correction to the Tax Cuts and Jobs Act and thus has an effective date of December 22, 2017, it is applicable to assets placed in service after 2017. Qualified improvement property is any improvement to the interior of a non-residential building that is placed in service after the building's initial placed in service date other than improvements attributable to elevators, escalators, building enlargements or the building's internal structural framework.

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

Legislative Response to COVID-19, Excise Tax Provisions

Aviation tax “holiday”

- The law provides an “excise tax holiday” from the taxes imposed by sections 4261 and 4271 of the Code for amounts paid for transportation by air of persons and property, including amounts paid for the right to award free or reduced rate air transportation. The law also provides an excise tax holiday from the taxes imposed by sections 4041 and 4081 of the Code for kerosene used in commercial aviation, except the Leaking Underground Storage Tank (LUST) tax. This provision is effective upon enactment through December 31, 2020; however, it does not apply to payments made on or before the date of enactment.

Temporary excise tax exception related to alcohol used in hand sanitizers

- The law provides a temporary one year exception from excise tax for removals of distilled spirits for use in or contained in hand sanitizer.

Legislative Response to COVID-19, Individual Tax Provisions

Recovery rebate credits

- The law provides that all U.S. resident individuals with adjusted gross income up to \$75,000 (\$150,000 married), who are not a dependent of another taxpayer and have a work eligible social security number, are eligible for the full \$1,200 rebate (\$2,400 married filing jointly). In addition, they are eligible for an additional \$500 per qualifying child, provided the qualifying child has a social security number or adoption taxpayer identification number. The rebate amount is reduced by \$5 for each \$100 that a taxpayer’s income exceeds these phase-out threshold.

Legislative Response to COVID-19, Individual Tax Provisions

Changes to charitable deduction rules for itemizers and non itemizers

- The law provides a new “above the line” charitable contribution deduction of up to \$300 to individuals who do not itemize their deductions. For individuals who do itemize their deductions, it permits a charitable contribution deduction of up to 100% of their adjusted gross income.

Temporary exclusion for student loan repayment benefits from employers

- The law allows employer to provide a tax-free student loan repayment benefit to employees. An employer may contribute up to \$5,250 annually toward an employee’s student loans and the payment will not be included in employee income. The provision is effective payments made between the date of enactment and January 1, 2021.

Temporary waiver of early withdrawal penalty for certain withdrawals from qualified retirement plans

- The law provides that the 10% penalty for early withdrawal from a qualified retirement account is waived for certain distributions up to \$100,000 for certain coronavirus-related purposes, subject to rules regarding taxation and repayment.

Temporary waiver of requirement minimum distribution rules for certain plans and accounts

- The law waives the required minimum distribution rules for calendar year 2020 for certain defined contribution plans and IRAs.

Single-employer plan funding rules contribution deadline extension

- The law provides single employer pension companies additional time to meet funding obligations. Minimum required contributions to single employer pension plans that would otherwise be due during 2020 may be deposited before January 1, 2021.



Central and South America

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As of 03 April 2020

Updated

General Information

The administration announced a number of measures, to fight the slowdown, targeted at poorer consumers (estimated cost of 2% of GDP). This includes a special bonus for people who receive the lowest pensions, as well as for poor families with children. Also increased assistance to food banks including at schools, and more resources for social programs reaching over 9 million people. Price ceilings have been established for essential products including food and sanitary products. Layoffs are prohibited for 60 days effective March 31st. Monetary policy will remain expansionary, as the administration focuses on protecting the economic activity and this is the main relief measure available for large companies, in general. The Government announced it will implement a plan of ARS 350 billion (USD 5 billion) to provide relief to companies certified as “MiPyMEs” (small and medium companies) for which social security contributions will be reduced and the State will absorb the cost of part of the salaries.

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<p>Decreto 300/2020 sets forth the following tax relief measures for companies that are employers and that provide healthcare-related benefits:</p> <ul style="list-style-type: none"> – 95% reduction of employer contributions to the social security system – 59% reduction of the bank credit tax – 17% reduction of the bank debt tax <p>The measures in the decree are valid for 90 days from the date of publication in the official gazette, 20 March 2020.</p>	<ul style="list-style-type: none"> – Labor license for vulnerable populations including people over 60. – Decreto 329 maintains the validity of art. 223 bis of the Labor Contract Law for which payment to employees who do not perform the job due to lack or reduction of work, not attributable to the employer, or force majeure duly verified, have a reduction in employer contributions. Res 219 is derogated for which it never had effects. A new Decree to be published soon will be more specific on the social contributions reliefs/deferrals and help from the State to cover the salary costs of companies affected by the Coronavirus crisis. 	<ul style="list-style-type: none"> – C A6946 of the Central Bank provides incentives so banks grant credits at preferential rates to small and medium companies for the payment of salaries. – Expansion of Ahora 12 program which provides incentives for consumption of national products through online platforms. 	<ul style="list-style-type: none"> – Trade restrictions including required pre-authorizations to export medicine and medical equipment have been imposed. – Res 11 IGJ allows the collegiate bodies of the companies to meet virtually during the time that the quarantine lasts, even though the by-laws do not provide for it. – Public bodies (e.g. courts, tax authorities of different level) declared administrative/judicial non-working days for which deadlines for procedures before these bodies (e.g. tax litigation) have been extended. The recess ends sometime between March 31st and April 10th, depending on the jurisdiction and will be probably extended. This does not affect the obligation of taxpayers to declare and pay taxes normally. <p>Main sources of information -Argentina: Tax relief for companies, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-argentina-tax-relief-companies-coronavirus.html</p>

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As of 03 April 2020

Updated

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)
Corporate income tax measures implemented

- Deduction of donations in cash destined for the prevention, diagnosis, control, attention and treatment of the COVID-19 in favor of authorized public and private health centers, made until the December 31, 2020, up to 10% of the taxable net profit gathered from the January 1 to December 31, 2019.
- Payments for corporate income tax deferred until May 29, 2020.
- Monthly payments of up to 3 months with the 50% of the initial payment until before the 1st of June 2020, without the charge of Value Maintenance, Interests and/or Warranties
- Time limit for the filing of CIT Tax Returns (Forms 500, 510 and 501) from companies with tax period closing of the 31st of December 2019, and the physical and digital presentation of Financial Statements, Annual Memory, Complementary Tax Information, Transfer Pricing information and submission of the Electronic Form F-110 v.3 (taxpayers who exercise liberal professions or jobs) as appropriate, that require to be presented to the Tax Administration, extended until the 29th of May 2020.

Transactions tax measures implemented

- Increase of the proportion of the payment on account of the IT for the payment in cash of the IUE until the 15th of May 2020, of the following taxpayers of the General Regime:
 - GRACOS (Great Taxpayers) and PRICOS (Main Taxpayers) applying a factor of 1:1.1
 - Taxpayers categorized as Resto applying a factor of 1:1.2
- Reduction of the IT tax base, excluding the effectively paid VAT by the following taxpayers of the General Regime:
 - GRACOS (Great taxpayers) and PRICOS (main taxpayer) for 3 months.
 - Taxpayers categorized as Resto for 6 months
- Filing and/or payment of tax returns for February and March extended until que expiration date of the tax period of April.

Value Added Tax measures implemented for Independent professionals

- Extension of the VAT tax credit until the 31st of December 2020 for the expenses in health, education and alimentation from their direct familiar nucleus
- Filing and/or payment of tax returns for February and March extended until que expiration date of the tax period of April.

Other measures and sources**Measures implemented for special tax regimes**

- Obligations of the Simplified Tax Regime for the bimester of January and February 2020 extended until the 11th of May 2020.
- Time limit for the filing of Tax Returns, payment of taxes and compliance of formal duties of the Integrated Tax System for the trimester from January to March 2020 extended until the 29th of May 2020.

Other filing requirements extended

- Expiration of the payments of quotes of payment facilities expired or to expire on the 28th of February of 2020 and the 31st of March of 2020, time limit for the presentation of CEDEIM requests with expiration date on March 2020, and Time limit for the presentation of CENOCREF requests with expiring date on March 2020, extended until the 30th of April 2020.
- Time limit for the compliance of formal obligations such as submission of Sales and Purchase VAT Listings, Information Agents and others, with expiring date on March and April 2020, extended until the 11th of May 2020.
- Time limit for the presentation of Tax Returns, payment of taxes and compliance of formal duties for the CR-VAT Direct taxpayers for the trimester from January to March 2020 extended until the 29th of May 2020.

Emergency Declaration, moment in which they will be reinitiated automatically:

- For the presentation and processing of Alzada and Jerarquico appeals on the Authority of Tax Objection.
- For the beginning and processing of determinative and sanction processes in charge of the National Tax Service and National Customs, suspending expressly the terms of notification for Determinative, Sanction, administrative Resolutions, or other definite objectionable acts. This does not include the beginning of tax inspections and verifications programmed by the Tax Administrations.

Main sources of information

- Bolivia: Tax relief measures in response to coronavirus (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-bolivia-tax-relief-measures-response-coronavirus.html>



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As of 03 April 2020

General Information

On 16 March, the government announced a USD 30 billion package of emergency measures, including an deferral of company taxes, with further measures with regard to SMEs announced on 17 and 18 March.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

- Payment of federal taxes: To provide liquidity to companies, the government is considering postponing firms' payment of federal taxes for two or three months;
- FGTS: deferral payment term for 3 months USD 6 billion;
- Contributions from "Sistema S": 50% reduction in contributions for 3 months (USD 0.4 billion);

Employment-related measures

(e.g. state compensation schemes, training...)

- Salaries: the government is set to pay part of the salaries incurred by micro and small companies;
- Employment contracts: possibility to suspend employment contracts;
- Workers with Covid-19: the government will pay for the first 15 days of leave of the worker who is identified with the Covid-19;
- On 18 March, Brazilian authorities also announced the possibilities for firms to reduce working hours and pay by up to 50% while maintaining the employment link, but there is no compensation for workers for the resulting income losses. Further flexibility for firms will come from extended use of the bank of hours and the possibility to anticipate annual leave, including collective annual leave.



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<ul style="list-style-type: none"> – PROGER/FAT: credit for Micro and Small Firms (USD 1 billion); – Caixa: The state-owned Federal Savings Bank will extend USD 14.9 billion in credit lines to small-and medium-sized firms aimed at working capital, purchase of payroll loan portfolios from medium-sized banks and agribusiness. The bank also cut interest rates on some types of credit and offered clients a grace period of 60 days; – Banco do Brasil announced a USD 20 billion increase in its credit lines, aimed at working capital, investments, prepayment of receivables, agribusiness and credit to individuals. The bank also increased the credit limit for 13 million customers; – BNDES: opening of a working capital loan line for small and medium-sized firms of tourism and service sectors; – Credit contracting requirements: simplification and waiver of documentation (CND) for credit renegotiation; – Capital charge relief: Lending and credit support through capital charge relief to loans secured by commercial real estate; and credit charge relief to retail exposures, to non-significant investment in the capital of financial institutions and insurance entities and to exposures secured by covered bonds issued by the own bank; – Restructured loans: Increased flexibility of the provisioning rules for a period of 6 months; – Conservation Capital Buffer (CCB): reduction from 2.5% to 1.25% for 1 year and setting a transitional arrangement to restore the original 2.5% CCB in the subsequent year; – Febraban: The Brazilian Federation of Banks announced an agreement by which the five largest banks in the country (BB, Caixa, Itaú Unibanco, Bradesco and Santander) are willing to respond to requests for a 60-day extension for the debt maturity of individual and SMEs. – On 18 March, Brazil's Central Bank lowered the benchmark interest rate SELIC by 50 bps to a historical minimum of 3.75%. This follows a reduction of the countercyclical capital buffer requirements. 	<p>Main sources of information</p> <ul style="list-style-type: none"> — Government of Brazil: https://www.gov.br/pt-br



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As of 03 April 2020

Updated

General Information

The Government announced a fiscal stimulus package worth US\$11.8bn (4.7% of GDP) to tackle the economic impact of the novel coronavirus (Covid-19) outbreak. The stimulus package—the largest in the country’s history—consists of three main pillars: boosting the budget of the healthcare system, implementing measures to protect workers against a loss of income, and providing support for small and medium-sized enterprises (SMEs) through tax measures. The Central Bank of Chile has reduced the fiscal policy interest rate to 0.5% and announced an increase of its bond purchase program of US\$4bn. Also, the Central Bank in coordination with the financial industry regulation (the Financial Market Commission or CMF) have announced measures loosening regulatory credit requirements and increasing the flow of credit to companies and consumers

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> – Stamp tax rate reduced to 0% for all credit, financial and refinancing transactions between April 1 and October 30, 2020 – Elimination of obligation to make monthly advance income tax payments for the period April – June, 2020. Applicable to all taxpayers. – All expenses incurred in measures related to the Covid-19 outbreak will be deductible for income tax purposes. – Deferral of VAT payable for the April – June , 2020 period, for taxpayers with annual sales up to UF 350,000 (equivalent to US\$11.8m approx.). Deferred VAT payable in 6 or 12 equal installments with 0% interest starting in July 2020 – Deferral of annual income tax payment until July 31, 2020 for SMEs, i.e. taxpayers with annual sales up to UF 75,000 (equivalent to US\$2.5m approx.) – Deferral of the payment of real estate tax for individual owners of real estate with aggregate fiscal value equivalent to US\$160k approx. and companies with annual sales up to UF 350,000. – Early payment of income tax refunds during April 2020, for individuals and in the case of companies, for those with annual sales up to UF 75,000. – Full waiver of interest and penalties for late filing of the annual income tax return due on April 30, 2020 and monthly VAT returns for filings done up to September 30, 2020. 	<p>Ready to be enacted is legislation that was approved on March 31 by Congress, which provides protections to workers and imposes obligations on employers when the suspension of the employment relationship is mandated by the authority in response to the Covid-19 outbreak.. Some of the central aspects include:</p> <ul style="list-style-type: none"> – Employees that meet minimum requirements can apply for unemployment insurance which will cover 70%, 55%, and 45% of the salary during the first, second and following months of suspension respectively – Employer and employee can agree on a suspension of the labor relationship – During the suspension, the employer is required to make social security and health insurance payments with certain ceilings – Under certain conditions, employers and employees can agree a reduction of the work hours with a proportional reduction of the salary, in which case the employee can obtain unemployment insurance benefits of up to 25% of her salary – The unemployment benefits are limited to the equivalent of US\$265 approx. per month. 	<ul style="list-style-type: none"> – Reduction by the Central Bank of the fiscal policy interest rate to 0.5% – Measures announced by the Financial Market Regulator (CMF) with the purpose of loosening the flow of credit to individuals and companies. These measures include <ul style="list-style-type: none"> • Regulatory exception for provisions to deferral of up to 3 installments for mortgage backed loans • Flexibilization of loan maturities for SMEs up to 6 months without qualifying as a renegotiation – Possibility to use mortgage guarantees for loans by SMEs – US\$ 500m capitalization of BancoEstado, a state owned commercial bank – Supplemental bonuses for families eligible to governmental subsidies 	<ul style="list-style-type: none"> – The Central Bank in coordination with the CMF provided flexibility for the implementation of Basel III standards by the financial industry – 15 day extension for submitting to the CMF annual audited financials by listed companies. – Deferral of hearings and other judicial procedures, except for specific matters (domestic violence, detention control). – Assistance with payment of utilities and basic services (power, telecoms, water) for lower income households. – Price caps for certain pharmaceutical products, medical devices and medical and sanitary supplies. The price for the Covid-19 detection exam is capped at the equivalent of US\$30 approx.



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As of 03 April 2020

General Information

The government has unveiled around USD 3.7 billion (1.5% of GDP) in measures to counter the effects of the coronavirus outbreak. These include additional cash transfers for the most vulnerable, VAT rebates for the poorest, tax deferrals for companies, and financing support for SMEs.

March 11: the Colombian president announced a package of economic measures to mitigate the effects on the tourism and aviation sectors. The Government has also opened a new credit line for the tourism and aviation sector.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

The Government postponed the payment of the VAT and income taxes for the tourism and aviation sectors. Furthermore, it decided to reduce the import tariffs for some inputs related to the health and aviation sectors, on a temporary basis.

VAT

- Concerning VAT declarations, the deadline for paying the tax is extended for taxpayers whose economic activities include: the sale of food and alcoholic beverages for consumption within the establishment and activities of travel agencies and tour operators.
- Criteria were established for the recognition and payment of compensation in favor of the most vulnerable population to generate greater equity in the VAT system.
- The exemption from VAT on the import and sale in the national territory of certain goods and supplies essential for the provision of medical services to patients with COVID-19 was decreed until 17 April 2020.

Suspension of legal terms

- The national tax authority (DIAN) suspended terms in the processes and administrative actions in tax, customs and, exchange matters, from March 19th, to April 3rd.
- Some territorial tax authorities have also suspended the terms in the processes and administrative actions in tax matters.
- Customs
- 0% of tariff rate applicable on the importation of some HTS codes related to medicines, medical equipment.
- Additionally, a rate of 0% will apply on the importation that will be done by Airlines in charge of the transportation of cargo or passengers

Employment-related measures

(e.g. state compensation schemes, training...)

Labor Policy

- The Labor Ministry has issued guidelines for employers to protect jobs, including the possibility of flexible and remote working, early holidays, and paid leave.
- Measures to protect job losses announced so far include financing support for SMEs.

Labor measurements

With Circular Letter No. 0021 of March 16, the Ministry of Labor recommended to adopt the following measures as a tool against the crisis caused by COVID-19:

- Work at home: for any economic sector without the compliance of the requirements of telecommuting.
- Telecommuting: the requirements and conditions of telecommuting that are regulated in Lay 1221 of 2008 must be fulfilled.
- Flexible working hours: employers can modify working hours in order to protect their employees.
- Annual, anticipated and collective vacations: the employer can grant vacations to its employees, remembering that can grant them before employees have caused the right to them.
- Paid leave – salary without service provision: the employer can grant their employees leaves and pay for the time that it lasts.

The Ministry of Labor indicated that they will not grant authorizations for collective dismissals or suspensions of employment contract, in cases that require their authorization by law.

Although the Ministry of Labor will not authorize collective dismissals, it is worth noting that dismissals without fair cause proceed, provided that the limit imposed by law is respected so as not to be classified as collective dismissal.

Regarding the suspension of the contract by fortuitous event or force majeure, the Ministry of Labor stated that the determination of the configuration or not of a force majeure or fortuitous event for the suspension, corresponds to the labor judge, who must determine its existence. The definition of labor disputes corresponds to judicial instances.

Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<p>Monetary Policy</p> <ul style="list-style-type: none"> The central bank is scheduled to hold its next monetary policy meeting on 27 March. It recently announced measures to provide liquidity to the market. 	<p>Trade restrictions</p> <ul style="list-style-type: none"> Duque has closed Colombia's border in a bid to mitigate the spread of coronavirus, but that does not apply to cargo. <p>Immigration measurements</p> <p>The following are the new measures taken by Colombian Immigration authorities:</p> <ul style="list-style-type: none"> Suspension of the terms of validity of the safeguards of permanence until May 30 or more if necessary. Migración Colombia will be able to grant an opportunity for amendment and not to carry out administrative processes if foreign citizens did not register their visas or applied for their foreigner ID in the stipulated terms. Suspension of the counting of the days of temporary residence permits and extensions of residence until May 30 or more, if necessary. Suspension of the counting of days of the Special Permits to Stay. Suspension of the term of the validity of the Permits for other activities (POA) until May 30 or more if necessary. <p>The national government suspended the entry of foreign passengers into Colombian territory for a period of 30 calendar days from March 23, 2020. From March 17th, Colombia has closed its land and fluvial borders until May 30.</p> <p>Visas application abroad (consulates) will be unadmitted until further notice, only courtesy visas applications could be studied</p> <p>Extension of deadlines: submission of returns and information</p> <ul style="list-style-type: none"> The deadlines for the filing and payment of national tax returns for direct taxes were extended. Some local authorities have extended the deadlines for the submission and payment of municipal tax returns. Regarding the tax and exchange information that taxpayers must submit to the national tax authority (National Tax and Customs Direction - DIAN), the deadlines for submitting such information were extended <p>Exportation of goods</p> <ul style="list-style-type: none"> The exportation and the re-exportation of some goods needed to cover the emergency related to the COVID-19 are prohibited during six months. <p>Administrative investigations and procedures before the customs authority</p> <ul style="list-style-type: none"> As consequence of COVID-19 all the administrative proceeding deadlines related to customs procedures before the customs authority are suspended. This suspension covers between March 19, 2020 and April 3, 2020. Extension of the terms for the UAP and ALTEX The term of authorization to be recognized as a Permanent customs user ("Usuario Aduanero Permanente – UAP" in Spanish) and Highly exporting user ("Usuario Altamente Exportadores-ALTEX" in Spanish) has been extended until May 31th, 2020 or until the emergency state has passed. The Global guarantees demands for this kind of users may also be extended. <p>Continuity measures during the isolation</p> <ul style="list-style-type: none"> The principal national ports, such as Cartagena, Buenaventura and Barranquilla will continue with their operations under special measures. In addition, the regulation allows (i) the transportation of goods related to international trading or first aid necessity, (ii) loading of goods related to import

Other measures and sources

operations, (iii) storage and the continuity of import, and (iv) import and export activities.

Priority on the clearance process of certain goods

- The perishable goods, medical equipment, and the operations initiated by AEO, will have preferential treatment regarding to the clearance process, this with the objective of giving continuity to the processes of importation and exportation, while the state of emergency remains.
- Closure of all the international borders until May 30, 2020.

Measures for corporate matters

- The Colombian Agricultural Institute (“ICA”, as per its acronym in Spanish), by means of a Circular Letter, clarified that it will continue to provide its services with certain measurements and protocols set out in such Circular Letter.
- The issuance of the Decree 398 of March 13th, allows companies that have summoned the maximum corporate body to carry out the annual meeting in a presental manner to be able, up to one day before the date of the meeting, to reach the call indicating that the meeting was held in a non-presental manner. The possibility of non-presental meetings also applies to any legal person, without exception, who requires meetings of their collegiate bodies. The External Circular of the Superintendence of Companies issued on March 17th, developed some points of this Decree.
- By means of the Resolution 2020-01-107881 of March 16th, the Superintendence of Companies, ordered the suspension of terms for judicial proceedings of commercial and insolvency proceedings, between March 17th and March 22nd.
- The issuance of Resolution 11790 of March 16th, suspends, from March 17th and until April 30th, the terms in judicial proceedings of consumer protection, infringement of industrial property rights and infringements of competition law that are currently litigated before the Delegate of Jurisdictional Matters of the Superintendence of Industry and Commerce
- By means of the External Circular Letter 100-00003 of March 17, the Superintendence of Companies issued the modification to the timetable for the presentation of financial statements. The deadlines will start on April 14th, and be extended until May 12th, in accordance with the last two NIT digits of the entities required to present the financial statements, this is excluding the verification number
- With the issuance of the Decree 434 of March 19th, the Colombian Government extended, until 3 July 2020, the renewal of the commercial registration, RONEOL and other registrations comprising the Single Business and Social Register (“RUES” as per its acronym in Spanish) with the exception of the Single Registration of Bidders (“RUP” as per its acronym in Spanish). Regarding this matter, the Superintendence of Companies, by means of the Circular Letter 100-000004 of March 24th, clarified that supervised companies that had not convened an ordinary meeting or were unable to hold it, could do so within the time limits laid down in Decree 434.

Measures for corporate matters (continued)

- By means of the External Circular 001 of March 23rd, the Superintendence of Industry and Commerce clarified that (i) under the Personal Data Protection Act, previous authorization is not required to process personal data when emergency situations arise and that (ii) this kind of data may be handed over to public or administrative entities, as long as they request such information in the exercise of their legal functions.

INVIMA measures

- The Colombian Healthcare Authority (“INVIMA” as per its acronym in Spanish), by means of the Circular 100-096-20, clarified that certain activities are covered within the exceptions set out in Decree 457 of 2020. Such activities are the following: (i) of the staff attached to the industry for animal benefit, depressed, desposed and conditioners, as well as meat derivative processing factories and other food-producing companies, (ii) transportation of usable and inedible sub-products and (iii) the transportation of animals to factories.
- The INVIMA by means of the Communication 7000- 0278-20 established that it will continue to respond to requests for inspection certificates, for which the upload of information may be made to the e-mails indicated in said Communication. Also, other provisions are issued regarding the inspection of the electronic loading and referral of certificates.

Terms suspension

- The Superintendence of Companies, in a statement of March 24th, extended the suspension of terms for the jurisdictional proceedings that are currently litigated before that entity, in the matter of commercial and insolvency proceedings, until March 31st. This entity had also determined, the suspension of terms in administrative and disciplinary proceedings between March 18th and April 8th 2020, with the exception of proceedings that involve of state contracts.

Main sources of information

- Colombian Government: <https://id.presidencia.gov.co/Paginas/presidenciaco.aspx>



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As of 03 April 2020

General Information

Executive Decree N° 42227 – MP- S, the Executive Branch has enacted National Emergency Decree of March 16th of 2020. This decree allows all the actions, works and services necessary to solve the emergency, safeguard the health and life of the population, preserve public order and protect the environment.

So far this has included the closing of schools and universities, shuttering of bars and sporting and entertainment events, gyms and other non- essential business where people congregate. Churches and religious services are also suspended. A ban on traffic from 10pm to 5am until further notice is also in effect and public transportation has been reduced. A ban on incoming non- Costa Rican passengers and non-essential air travel has also been placed in effect. Any resident leaving the country will also have their migratory status revoked. All public institutions are ordered to operate with no more than 20% of their workforce. All other employees must telecommute

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Fiscal Relief Project Due To Covid-19 Act N° 9839

In effect from 20 March 2020

- Moratorium on value added tax, luxury excise tax: taxpayers, during the months of April, May and June 2020 may file the tax return without payment of tax but must pay the tax for the months covered by the moratorium no later than December 31, 2020 or reach a settlement with the Tax Authority.
- Moratorium on partial payments of income tax: ISR taxpayers may not pay quarterly estimated income tax payments to the months of April, May or June 2020. This moratorium does not apply to taxpayers who have a special authorized fiscal period and who must declare and pay the respective income tax in the months covered by the moratorium. All other taxes of the Income Tax Law will remain in force.
- Moratorium on tariffs: Importers registered as taxpayers in the Tax Administration Registry, during the months of April, May and June 2020, may nationalize goods without paying the corresponding tariffs, but must pay the tariffs no later than December 31, 2020 or reach a settlement with the Customs Authority.
- Exemption from VAT on commercial leases for the months of April, May and June, as long as the lessor and lessee are registered taxpayers.

Customs measures for working from home for Free Trade Zone entities. (In effect).

- The General Customs Administration, through internal communication issued Friday March 20th, established the applicable criteria for the transfer of fixed assets outside the authorized area for Free Trade Zone entities, with the aim of facilitating the work from home of their employees.
- The applicable rules are as follows:
- It authorizes the transfer of computers and necessary equipment outside the authorized area, for the execution of work functions.
- The beneficiary companies must carry out a control and registration that details the identification number of the asset, name and identification of the assigned person, as well as the address or place of working from home and communicate it immediately to the corresponding Customs Office.
- The telecommuting must comply with the provisions contained in Law number 9738 "Law to Regulate Working From Home".
- The beneficiary companies will be responsible for the damage, theft or loss of equipment that will be removed from the authorized Free Trade Zone area, being obliged to pay the corresponding taxes within 15 days, except in cases of force majeure or fortuitous events.
- The measures will be applied while the National Emergency Decree remains in force.



Updated

As of 03 April 2020

Tax measures – Direct and Indirect (continued)
(e.g. payment deferrals, rate reductions...)

March 29, it was published in the Official Gazette the Executive Decree No. 42271-H "Regulation to Law No. 9830 of March 19, 2020, on Tax Relief due to Covid-19", which came into force upon its publication.

- This regulation ordains the application of benefits to taxpayers of the value added tax (VAT), selective consumption taxes (SCT), income tax, as well as those obliged to pay customs duties, who adopt any or all of the measures of the Tax Relief Act.
- Taxpayers of the VAT and SCT may apply the moratorium for the months of April, May and June without the need for any petition with the Tax Administration, but they must enter the corresponding declaration. Taxpayers of VAT and SCT must pay the entire declared tax in the months of April, May and June 2020 no later than December 31, 2020, without interest or penalties.
- Payment of the total debt of such taxes in a single act must be made through bank connectivity, unless the taxpayer chooses to make payments on account.
- Taxpayers who had an outstanding balance amount as of December 31, 2020, may request a payment facility under the conditions, without incurring interest or penalties.
- For the granting of these facilities, the General Tax Office will issue before April 30, 2020, a general scope resolution that will establish the requirements and procedures to be followed.
- Taxpayers interested in obtaining a payment facility must meet the following conditions:
 - Have filed the respective tax returns in the first fifteen calendar days of the months of April, May and June 2020.
 - Have paid, at the time of signing the payment facility, a minimum down payment corresponding to twenty percent (20%) of the amount owed.
 - Be up to date on all other formal and material duties before the Tax Administration when submitting your application.
- The interested party must submit the application for ease of payment to the competent Tax Administration, as appropriate to their fiscal domicile, no later than October 15, 2020.
- Taxpayers of income tax are exempt from the partial payment corresponding to the months of April, May and June without need of any petition with the Tax Administration, but may do so later if they wish, without penalties.
- In the case of commercial leases, they may also apply the exemption without any petition before the Tax Administration. However, both parties must report the operation in their VAT return and in electronic invoicing as an operation covered by a special law (No. 9830).
- In addition, the lessor must verify that the lessee is also registered as a VAT taxpayer, for which he must make the query about his tax situation on the Virtual Tax Administration (ATV) platform and keep the receipt corresponding to such query.
- In the case of the moratorium on customs duties, at the time of transmitting each self-determined Definitive Import Customs Declaration (the DUA in Spanish) in TICA, the declarant must expressly state if he avails himself of the benefit of the moratorium.
- In that case, TICA will not collect the customs tax obligation for each of the declarations in that condition, transmitted during the months of April, May and June of the year 2020, and such payment must be made in accordance with the special procedure developed at effect by means of a general scope resolution issued by the General Directorate of Customs.



Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>
<p>Authorization to Reduce Workdays due to the National Emergency Declaration Act N° 9832</p> <p>In effect from 23 March 2020</p> <ul style="list-style-type: none"> – When the gross income of companies is affected by the Covid- 19 event by at least 20%, in relation to the same month of the previous year, employers may unilaterally reduce by up to 50% the number of hours of the ordinary working day agreed between the parties, as an unequivocal consequence of the Covid – 19 event. The working hours may be reduced by up to 75% when the impact exceeds 60% of gross income. – The employer must initiate the respective authorization procedure before the Labor Inspectorate of the Ministry of Labor and Social Security, within three business days after the start of the reduction of the workday. – The bill limits the authorization to reduce labor hours to be temporary, for a period of time up to 3 months, extendable for 2 equal periods in the event in that these circumstances remain, and such circumstances are validated by the Labor Department – The employer must verify the decrease in his gross income and that said affectation is attributable to the Covid- 19 event by means of a sworn statement signed by the legal representative of the company and authenticated by a lawyer, or by a certified public accountant. This information may be subject to verification by the Labor Inspection. – For the calculation of unemployment and advance notice, the wages received before the authorization of the reduction of the working day will be considered. For any other calculation of labor rights, the salary actually received by the worker will be taken into account. 	<p>Central Bank Approves Monetary and Credit Measures</p> <ul style="list-style-type: none"> – The Monetary Policy Rate was reduced to 1.25% annually. – The Interest Rate on one day deposits was reduced to 0.01% – The Permanent Credit Facility was reduced to 2%. – The Integrated Liquidity Market Permanent Deposit Facility Rate was reduced to 0.01% – In addition, the Financial System Supervisory Council (CONASSIF for its initials in Spanish) has adopted measures to protect the grant of credit to the public, including the possibility of renegotiating up to 2 times the conditions of the credit, without affecting the debtor's credit rating, among others. <p>Maximum Commissions of the Card System Act N° 9831“ Enacted</p> <p>In effect from 21 March 2020</p> <ul style="list-style-type: none"> – The bill "Maximum Commissions of the Card System", was approved this past Saturday by the legislative assembly. – This law regulates the maximum commissions charged by service providers on the processing of transactions that use payment devices and the operation of the payment card system. – This law is mandatory for all card system service providers, as well as the entities that provide them with technological support for their commercial purposes, the card brands, affiliates and customers who accept and use payment devices. – The Central Bank of Costa Rica will determine the maximum exchange fees that issuers may charge, as well as the maximum acquisition fees and maximum limits to other fees and charges established by service providers for the use of payment devices, regardless of its denomination. – The service provider that does not meet the maximum limits of commissions, established by the Central Bank of Costa Rica for the card system, will be sanctioned with the payment of a fine equivalent to the excess collection that has been made and never less than 200 base salaries. – Additionally, the offender must return to affiliates all amounts collected that exceed the maximum commissions authorized by the Central Bank of Costa Rica and will be subject to public record. – The Central Bank of Costa Rica must regulate and carry out the first setting of commissions and maximum charges, as well as their corresponding publication, in accordance with the provisions of this law, within a maximum period of six months, counted from their entry in force.



Other measures and sources

Amendments to the Health Regulations for the Grant of Licenses and Disability to the Beneficiaries of Health Coverage. (In effect)

- Pursuant to the publication at the Official Journal N° 46 from March 16th, the Social Security Fund Board Members have approved the amendment associated to the new sickness leave, so the term “domiciliary isolation leaves”, can be included within this Ruling, as a result from the sanitary alert derived from COVID-19 spread, as follows:

The Export of Medical Equipment Will be Placed Under Control

- Pursuant to Directive DGA-003-2020 of March 18th of 2020, the General Customs Administration has placed the export of the following items under control: disposable caps, safety glasses, disposable boots, N95 or FFP2 respirators, disposable surgical masks, level 2 impermeable disposable gowns, latex gloves, automated PCR test systems for the detection of pathogens in biological samples, dacron swabs.

Main sources of information

- Costa Rica: Updated on tax relief legislation, response to coronavirus (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-costa-rica-updated-tax-relief-legislation-response-coronavirus.html>
- Costa Rica: Updates on work hours-reduction, credit card commissions legislation (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-costa-rica-updates-work-hours-reduction-credit-card-commissions-legislation.html>
- Costa Rica: Tax relief includes deferred tax payments (COVID-19) : <https://home.kpmg/us/en/home/insights/2020/04/tnf-costa-rica-tax-relief-includes-deferred-tax-payments-covid-19.html>



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As of 03 April 2020

New country

General Information

The Salvadoran government and congress (Asamblea Legislativa) approved several decrees in order to regulate the crisis which includes restrictions on free transit, extensions in tax payments and provisions on telecommuting, as well as health issues.

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> – The Tourism Special Contribution it is exempt during the time period of 3 months. – The CIT payment is extended for 30 days without a fee or interests for taxpayers dedicated to tourism whose tax to pay is less than USD 25,000, so the new due date for the payment is on May 31st..There is no extension for the presentation of the tax return. – The CIT payment is extended for 30 days without a fee or interests for taxpayers whose tax to pay is less than USD10,000, so the new due date for the payment is on May 31st..There is no extension for the presentation of the tax return. – The CIT payment is extended without fee or interest for the taxpayers who are dedicated to the generation, transmission, distribution and commercialization of electric energy, as well as the taxpayers dedicated to subscription of television services, residential and commercial internet services, fixed and mobile telephony, as long as they request instalment payment in which the first instalment will start on May 31st. There is no extension for the presentation of the tax return. – The payment of the advance income tax for the months of March April and May is extended without fee or interest for the taxpayers who are dedicated to subscription of television services, residential and commercial internet services, fixed and mobile telephony, as long as they request instalment payment 	<p>The Telecommuting regulation law is approved, which their relevant aspects are the following:</p> <ul style="list-style-type: none"> – Telecommuting is defined as a way of carrying out the non presential employment relationship outside a workplace, using as a support the information technologies and the communication. – There must be an employment contract governed by the Work law regulations where the conditions of telecommuting are established. – Employers have the same obligations and prohibitions established in the Work law of El Salvador, in addition to providing the necessary tools to develop telecommuting. – People employed under the telecommuting modality have the same rights as face-to-face workers in terms of social security, social security, legal benefits, occupational health and safety and freedom of association. 	<p>The government decreed National Emergency, which, among other things, provides that no contractual breaches will be incurred, nor civil and commercial penalties for those people affected by the crisis who are unable to fulfill their obligations, therefore, the following sectors have taken measures such as:</p> <ul style="list-style-type: none"> – The banks have frozen their loan installments to their clients for 3 months. – The payment of electricity, water and telephone bills are frozen during the months of March, April and May as regulated in the transitory law to postpone the payment for up to 24 months. 	<ul style="list-style-type: none"> – The State of Emergency Decree prohibits the dismissal of employees and job stability is guaranteed for 3 months. – The temporary restriction of the constitutional rights act is decreed, which among other things limits freedom of transit, which expires on April 15 2020. – The Government has delivered a financial support of USD300 to affected families



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As of 03 April 2020

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Other measures and sources
<p>Extension of tax return deadlines, response to coronavirus (COVID-19)</p> <ul style="list-style-type: none"> – The tax authorities issued guidance extending the deadline for filing certain tax returns in response to the coronavirus (COVID-19) pandemic. – The income tax return for 2019 and the monthly value added tax (VAT) return corresponding to February 2020 are now due 15 April 2020. – The deadline for returns corresponding to income tax withholdings is 28 April 2020 and for VAT withholdings is 5 May 2020. – The tax audit process, information requests, and other procedures are suspended until 15 April 2020. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Guatemala: Extension of tax return deadlines, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-guatemala-extension-tax-return-deadlines-response-coronavirus.html



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As of 03 April 2020

New country

General Information

Honduran President has announced and sent for approval to the National Congress, some tax and employment measures that are addressed in first instance to benefit small and medium taxpayers, these measures include: extensions of the CIT and TP deadlines, discount of 8.5% for payment of CIT before April 30th, the condition to apply to these benefits would be to keep the employees in payroll (i.e., not to fire employees). It is likely that Great taxpayers claim these benefits to be applicable for them too.

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>
<ul style="list-style-type: none"> - Extension of CIT deadline from April 30th to June 30th. - Extension of TP deadline from April 30th to July 31th - Discount of 8.5% for those small and medium taxpayers paying the CIT before April 30th . - Payment on accounts for the first two installment deadlines will be extended from June 30th and September 30th to August 30th and October 30th - The calculation of 2020 payment on accounts will be made on the 75% of the CIT paid for 2019. - Those taxpayers with no operations during the crisis, will have extended deadline for filing the VAT return. - Those taxpayers with no operations during the crisis, will have extended deadline for filing the VAT return. - Permitted used of tax documents that expired during the crisis period. 	<ul style="list-style-type: none"> – Government, employees and Regimen de Aportaciones Privadas will partially cover salaries for fired employees. The contribution would be a monthly wage of L. 6,000. – An additional deductible expense of 10% of total salaries for those taxpayers that keep all their employees. 	<ul style="list-style-type: none"> – In order to attend the impact caused by COVID 19 to affected sectors, National Commission of Bank and Insurance (CNBS) through Resolution GES No.175/21-03-2020 approved the following financial temporary measures: – 1)Institutions regulated by CNBS that grant loans, will be able to concede grace periods to affected borrowers (entities and individuals). – 2) The application of moratorium interest, commissions and administrative charges related with relief operations is banned. – 3)Accrued interest and not charged (current) at the date of refinancing or reclassification of the debt, can be capitalized.



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As of 03 April 2020

Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<p>Labor policy</p> <ul style="list-style-type: none"> No changes in labor policy have been announced as a response to the virus. Congress is debating a reform to impose stricter rules on outsourcing. Approval may be delayed due to closure of legislative power due to coronavirus. 	<p>Monetary policy</p> <ul style="list-style-type: none"> The central bank will continue making FX interventions, trying to provide liquidity and financial stability in moments of high volatility or sharp peso depreciation. <p>Fiscal policy</p> <ul style="list-style-type: none"> Low oil prices and slow growth will leave limited room for fiscal expansion. Government will cut spending in order to offset lower revenues. Lopez Obrador remains committed to fiscal prudence. <p>Incentives to companies to continue operating</p> <ul style="list-style-type: none"> The administration has yet to release plans for economic measures. 	<p>Trade restrictions</p> <ul style="list-style-type: none"> The government will look to keep prices low opening opportunities to new markets in sectors that could be affected by the disruptions the virus outbreak is causing globally. USMCA has been approved in all three of Mexico, the US, and Canada, and now each country will focus on finalizing the regulatory changes needed for its implementation. <p>Main sources of information</p> <ul style="list-style-type: none"> Mexico: State and local authorities provide tax relief (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-mexico-state-local-authorities-tax-relief.html



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As of 03 April 2020

General Information

Executive Decree No.251 of March 24, 2020 was published in the Official Gazette, which introduced extraordinary tax measures in order to alleviate the economic impact of taxpayers in Panama as a result of the State of Emergency emerged by COVID-19. Law No. 134 of March 20, 2020, was published in the Official Gazette, to amend Law 99 of 2019, about the general tax amnesty for the payment of taxes managed by the General Directorate of revenues, Law 76, related to the Tax Procedure Code among other provisions.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

1. Extension of the Term to file the Income tax return for tax year 2019.

- An additional period is granted until May 30, 2020 for taxpayers to file the income tax return for the 2019 tax year. However, the possibility to obtain the regular month extension to file, as established in Article 710 paragraph 5 of the Tax Code, is abolished in these cases.

2. Extension of the term for the payment of taxes during the emergency period.

- A term of 120 days is granted from March 20, 2020 (July 18, 2020) to make the payment of taxes that are caused and owed during said term without triggering interest, surcharges and fines. However, the following taxes are exempt from the benefit:
 - Income tax withheld to employees;
 - Income tax withheld to non-residents;
 - ITBMS withheld to non-residents;
 - ITBMS withheld by the state;
 - ITBMS withheld by local withholding agents;
 - Dividend Tax;
 - Real Estate tax withheld by banks

3. Electronic submission of the request for “Non-application of the Alternate Tax Method (CAIR).”

- All documents required to taxpayers in order to request the Non-application of the Alternate Tax Method (CAIR), in accordance with the provisions of Article 133-E of the Executive Decree 170/1993, are authorized to be submitted electronically without the need to submit them physically at the offices of the Tax Administration

4. Reduction of the amount required to declare and pay in relation to the Income Tax Advance.

- For tax year 2020, Taxpayers can determine the income tax advance payments in an amount not less of 70% of the period tax determined in the income tax return filed for tax period 2019, without the Tax Administration being able to carry out any type of investigation or verification on said declared amount. On the other hand, the income tax advance payments will be paid in two installments: i) September 30, 2020, as the first installment, and ii) and, December 31, 2020, as the second installment.

5. Request for “Good Standing Certificate” to taxpayers who keep debts and inconsistencies in their current account.

- For 120 days calendar days, the Director of the General Directorate of Revenues was authorized to issue “Good Standing Certificates” to taxpayers who owes taxes or keep inconsistencies in their tax current account, if taxpayers submit the corresponding duly motivated and sustained request to the Tax Administration. On the other hand, DGI and the Social Security Office’s “Good Standing Certificates” will not be required to be filed, if needed, for any procedures related to the General Directorate of Treasury and the General Directorate of Revenues.
- It should be noted that the taxpayers who maintain processes for administrative tax evasion or criminal tax fraud, will not be able to apply the benefits granted under this Executive Decree. Similarly, Executive Decree 507 of 2020, which established the curfew in the Republic of Panama, ordered the suspension of all terms within administrative processes, followed by the different government institutions.

Extension of the Tax Amnesty granted by Law 99 of 2019

I. Extension of the term for the payment of taxes due and arising until June 30, 2019

- Condonation of 85% of interest, surcharges and fines for owed taxes arising until June 30, 2019 on payments made between February 29, 2020 and June 30, 2020.
- Possibility to establish a payment agreement with the General Directorate of Revenue for the cancellation of taxes arising until June 30, 2019, obtaining an 85% condonation of interest and surcharges, if the debt is paid in full no later than December 31, 2020.
- The acceptance of the benefits will be made automatically as long as the taxpayers have made a payment aimed to liquidate the debt kept with the General Directorate of Revenues, without the need to use the E-Tax 2.0



Tax measures – Direct and Indirect (continued) (e.g. payment deferrals, rate reductions...)	Other measures and sources
<p>Extension of the Tax Amnesty granted by Law 99 of 2019 (continued)</p> <p>II. Extension of the term to file reports and late affidavits without a fine</p> <ul style="list-style-type: none"> – On the other hand, the term to file the following forms or reports that should have been submitted by February 29, 2020, is extended until June 30, 2020, without this action causing any fine: <ul style="list-style-type: none"> • Donations report • Non- Tax filer (NGO) report, filed through Form No.27 • Payroll Report, filed using Form No. 03 • Report on the retirement, pension and other benefits funds, filed through Form No. 40 • Insurers report and certification of medical expenses per insured, filed through Form No. 41 • Certification of interest on residential mortgage loans without preferential interest, through Form No. 42 • Purchases and imports of goods report, filed through Form No. 43 • Credit card sales report, filed using Form No. 44 • Transfer Pricing Report, submitted using Form No. 930 • Individual income tax return, filed using No.1 • Corporate income tax return, filed using Form No.1 • Free Trade Zone income tax return, filed using Form No. 18 – The exemption of the fine for the late submission of these reports is subject to the taxpayer compliance with the conditions and commitments of the aid and economic stimulation package issued by the state of emergency following COVID-19, or that they are taxpayers who keep business activities. <p>III. Late submission of real estate improvements until December 31, 2020</p> <ul style="list-style-type: none"> • The deadline for the late declaration of real estate improvements was extended until December 31, 2020, if taxpayers, during the term of the amnesty, submit the permanent improvements declaration or undeclared improvements before the Public Registry Office by the time the Law is in force. • Said improvements must be attached with a sworn declaration before a Notary in which it is stated the date and the amount for which the improvements were built. • Once registered in the Public Registry, must be filed before the National Land Authority for its update. 	<p>Main sources of information</p> <ul style="list-style-type: none"> — Panama: Tax relief, extended due dates for tax returns and payments (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-panama-tax-relief-extended-due-dates-for-tax-returns-and-payments-covid-19.html



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Updated

As of 03 April 2020

General Information

As a consequence of the World Health Organization's declaration of the COVID-19 as pandemic, the Peruvian Government has addressed COVID-19 as a "Sanitary Emergency" by means of the Supreme Decree No. 008-2020-SA (published on 13 March, 2020). It later involved that Peru enters into a State of National Emergency since 16 March, 2020, as approved by the Supreme Decree No. 044-2020-PCM (published on 15 March, 2020). In this scenario, the Peruvian Government has announced the following emergency tax measures:

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Tax (IT) and Value Added Tax (VAT)

Filing/Payment deadline extension

- The Peruvian Customs and Tax Authority (in Spanish, Superintendencia Nacional de Aduanas y de Administración Tributaria, hereinafter referred as SUNAT) has extended the annual IT filing and payment deadline for the fiscal year 2019. The new deadlines are between 24 June, 2020 and 9 July, 2020. This rule is applicable for taxpayers that generated a net income not higher than 5,000 Tax Units during 2019 (PEN 21 MM = USD 6 MM approximately).
- Likewise, SUNAT has extended the monthly IT and VAT filing and payment for the tax periods: **February 2020, March 2020 and April 2020**, according to the following detail:

Period	Taxpayers A	Taxpayers B
February 2020	Yes / New deadlines are between 4 June, 2020 and 11 June, 2020.	No
March 2020	Yes / New deadlines are between 3 June, 2020 and 11 June, 2020	Yes / New deadlines are between 11 June, 2020 and 19 June, 2020
April 2020	Yes / New deadlines are between 12 June, 2020 and 22 June, 2020	Yes / New deadlines are between 11 June, 2020 and 19 June, 2020

- Taxpayers A: Taxpayers that generated a net income not higher than 2,300 Tax Units during the fiscal year 2019 (PEN 9,7 MM = USD 2,8 MM approximately).
- Taxpayers B: Taxpayers that generated a net income not higher than 5,000 Tax Units during the fiscal year 2019 (PEN 21 MM = USD 6 MM approximately).

Other formal obligations

- Formal obligations are postponed are the following:
 - Electric Sales and Income Register and the Electronic Purchase Registry**
The new deadlines are as follows:

Period	Taxpayers A	Taxpayers B
January 2020	No	Yes Schedule Type B: The new deadlines are between 11 June, 2020 and 19 June, 2020
February 2020	Yes Schedule Type A: The new deadlines are between 4 June, 2020 and 10 June, 2020 Schedule Type B: The new deadlines are between 11 June, 2020 and 19 June, 2020	Yes Schedule Type B: The new deadlines are between 11 June, 2020 and 19 June, 2020
March 2020	Schedule Type A: The new deadlines are between 2 June, 2020 and 10 June, 2020	Yes
April 2020	Schedule Type A: The new deadlines are between 11 June, 2020 and 19 June, 2020	Yes

- Inventory and Balance Book, cost register, assets register, and other accounting electric books and registries related to tax matters**
The new deadlines are as follows:

Period	Taxpayers A	Taxpayers B (*)
March 2020	Until 4 June, 2020, for taxpayers whose deadlines began from 16 March, 2020 to 31 May, 2020	Until 4 June, 2020, for taxpayers whose deadlines began from 31 March, 2020 to 31 May, 2020

(*) Provided that generated a net income higher than 2,300 Tax Units during the fiscal year 2019.

- The Annual Return of Operations with third parties (in Spanish, Declaración Jurada Anual de Operaciones con Terceros – DAOT)**
The new deadlines are as follows:

Taxpayers A	Taxpayers B (*)
Until 29 May, 2020, for taxpayers whose deadlines began from 16 March, 2020 to 30 April, 2020	Until 29 May, 2020, for taxpayers whose deadlines began from 31 March, 2020 to 30 April, 2020

(*) Provided that generated a net income higher than 2,300 Tax Units during the fiscal year 2019.

Temporary Net Assets Tax (in Spanish, Impuesto Temporal a los Activos Netos – ITAN)
Filing/Payment deadline extension

- SUNAT has extended the annual Temporary Net Assets Tax filing and payment deadline for the fiscal year 2020. The new deadlines are between 3 June, 2020 and 11 June, 2020. This rule is applicable for taxpayers that generated a net income not higher than 5,000 Tax Units during 2019 (PEN 21 MM = USD 6 MM approximately).
- If the taxpayer chose to pay Temporary Tax on Net Assets 2020 in installments, may postpone the payment of March 2020 and April 2020 installments until the following dates:

Period	New deadline
March 2020	As of 03 June, 2020 until 11 June, 2020
April 2020	As of 12 June, 2020 until 22 June, 2020



Updated

Tax measures – Direct and Indirect (continued)
(e.g. payment deferrals, rate reductions...)

Electronic Billing Systems

- Extension of the deadline until 31 May, 2020 for the issuance of the following authorized documents without using to the Electronic Billing Systems:
 - Documents issued by the acquiring companies acquire the payment systems using credit cards and/or debit cards issued by banks and financial or credit institutions, domiciled or not in Peru.
 - Documents issued by the operator of irregular corporations, joint ventures or other forms of business cooperation agreements, which do not carry out independent accounting and engaged in exploration and exploitation of hydrocarbons to the transfer of goods obtained by execution of activities that the operator and other parties perform together in a single operation.
 - Documents issued by other parties, other than the operator, of the irregular companies, joint ventures or other forms of business collaboration agreements, that do not carry independent accounting and engaged in exploration and exploitation of hydrocarbons to the transfer of goods obtained by execution of activities that the operator and other parties perform together in a single operation.
 - Documents issued by the acquiring companies in the payment systems using credit cards issued by themselves.
- Extension of the deadline to send [directly or through Electronic of Services Operator (in Spanish, Operador de Servicios Electrónicos - OSE) of the Electronic Billing System reports and communications, according to the following detail:

Taxpayers A	Taxpayers B
Until 15 May, 2020, for taxpayers whose deadlines began from 16 March, 2020 to 30 April, 2020	Until 29 May, 2020, for taxpayers whose deadlines began from 31 March, 2020 to 30 April, 2020

Discretionary application of tax and customs fines

- SUNAT will apply the discretionary authority for not imposing tax fines during the emergency period, including the tax fines incurred or detected as of 16 March, 2020.

Employment-related measures
(e.g. state compensation schemes, training...)

Filing/Payment deadline extension

- By means Electronic Payroll (in Spanish, Planilla Electrónica) - Virtual Form 0601, employers monthly may (i) apply Income Tax withholdings dependent and independent employees as others withholdings payroll taxes (i.e. Pension Fund Contribution), (ii) make direct monthly payments for Health Contribution (i.e. National Health Contribution - Essalud or Private Health System - EPS) and (iii) fill information about its employees.
- In this sense, the taxpayers that generated a net income not higher than 2,300 Tax Units during 2019 (PEN 9,7 MM = USD 2,8 MM approximately) may postponed the fill of such obligations corresponding February 2020 as of 17 April, 2020 until 24 April, 2020.

Labor and support to employees

- Additional home office rules to employees from private sector in order to continue with business activities during this period of Sanitary Emergency. These rules are not applicable to employees affected with COVID-19 or medical rest.
- Exceptionally, employees can withdraw up to the amount of PEN 2,400 (USD 686 approximately) from their CTS accounts (in Spanish, Compensación por Tiempo de Servicios). It is a fund to protect to the employee when they are unemployed. According to the labor rules, employers must open and transfer funds twice per year to CTS accounts to its employees. The employees can not withdraw these funds until they are in unemployed situation or when a specific rule authorize it.
- The contributions to the Private Pension Fund are suspended for the salaries to be paid in April 2020 (10% of salary). Also, the Pension Funds Administrators will not discount April fees (applicable to the flow of funds) from the funds of the employees. However, the Collective Disability and Survival Insurance (in Spanish, Seguro de Invalidez y Sobrevivencia Colectivo del Sistema Privado de Pensiones) will be discount to employees.
- Employers will receive a subsidy from the Peruvian Government equivalent to the 35% of the gross salaries of the employees which salaries are no more than PEN 1,500 (USD 429 approximately).
- Peruvian Government will pay the subsidy mentioned in the previous paragraph through credit in the account. For these purposes, the employers must previously inform the Account Code for inter-bank transfers (in Spanish, Código de Cuenta Interbancaria - CCI) to SUNAT in the term of 7 business days through SUNAT - Online Operations.

Exceptional withdrawal of Pension Funds

- Exceptionally, affiliates into Private Pension System (PPS) can withdrawal its funds up to the amount of PEN 2,000, provided that have not been paid obligatory contributions for six consecutive months.
- The Pension Funds Administrators (i.e. AFP) will pay such funds in April 2020, upon request of affiliate.



Updated

Economic stimulus measures
(e.g. loans, moratorium on debt repayments...)

Payment in instalments and/or Postponement of payment and/or Refinancing of tax debts for Individual taxpayers

- Instalments due on 31 March, 2020 and 30 April, 2020 could be paid until 29 May, 2020.
- This measure will apply to those (i) Payment in instalments and/or payments postponed or (ii) Postponement of payments with Payment in instalments or (iii) Refinancing of the tax debt granted until 15 March, 2020, provided that it has not notified the loss of the regime.

Withdrawal of the funds deposited on the Withholding Advanced Collecting Bank Accounts (in Spanish, Cuentas bancarias de Detracciones)

- The accumulated balance available to withdraw is the obtained until 15 March, 2020.
- The withdrawal will be requested through SUNAT - Online Operations between 23 March, 2020 and 7 April, 2020 only.

Extension of deadline for withdrawal of funds deposited on the Withholding Advanced Collecting Bank Accounts corresponding to period April 2020

- Request for withdrawal of the funds deposited on the Withholding Advanced Collecting Bank that should have been submitted between 1 April, 2020 to 7 April, 2020, may be submitted between 8 April, 2020 and 16 April, 2020, as the case may be.
- The withdrawal will be requested through SUNAT - Online Operations.

Refund of Balance in Favor of the Exporter

- The Exporters that generated a net income not higher than 5,000 Tax Units during 2019 (PEN 21 MM = USD 6 MM approximately), may request the refund of Balance in Favor of the Exporter (in Spanish, Saldo a Favor Materia de Beneficio) by means Virtual Form No. 1649. The tax rules regarding natural disasters will apply to such refund requests.

Payment in instalments and/or Postponement of payment and/or Refinancing of tax debts for Individual taxpayers

- Instalments due on 31 March, 2020 and 30 April, 2020 could be paid until 29 May, 2020.
- This measure will apply to those (i) Payment in instalments and/or payments postponed or (ii) Postponement of payments with Payment in instalments or (iii) Refinancing of the tax debt granted until 15 March, 2020, provided that it has not notified the loss of the regime.

Reduction of default and compensatory interest rates applicable to tax debts and the refund of improper or overpayment, respectively

- As of 1 April, 2020, the following interest rates will apply:

Monthly rate	Specifications
1.00%	Default interest rate applicable to local currency tax debts.
0.50%	Default interest rate applicable to foreign currency tax debts.
0.42%	Compensatory interest rate applicable to local currency refund of improper payments or overpayments according to Paragraph b) of Article 38° of Peruvian Tax Code.
0.25%	Compensatory interest rate applicable to foreign currency refund of improper payments or overpayments according to Paragraph b) of Transitory First Provision of Legislative Decree No. 953.

- This compensatory rate is not applicable to VAT Withholdings Regimen and VAT Perception Regime.

Other measures and sources

Customs/Import

- Temporary reduction to 0% of the CIF ad valorem tariff rate applicable to the import of goods (medicines and medical equipment) that are listed in the appendix of Supreme Decree No. 059-2020-EF, published on 28 March, 2020 (i.e. Chlorine, Sulfuric Acid, Anesthetics, esters, medical mask, among others).
- This measure is applicable for 90 calendar days counted as of 12 March, 2020. By means of a Supreme Decree, this period may be extended.
- Once the Sanitary Emergency is over, the customs duties will be applied to the importation of such goods (tariff rate: 6% or 11%, as the case may be).

Customs Procedures and Regulations

- The following customs procedures it will be in force on July 31, 2020:
 - Outright Exportation” – DESPA-PG.02 - Version No. 7.
 - Acts related to the exit of goods and means of transport” – DESPA-PE.00.21 – Version No. 1.
 - Material for Aeronautical Purposes”- DESP-PG.19 – Version No. 3.

Discretionary application of customs fines

- SUNAT will not impose custom fines on Trade Operator (in Spanish, Operador de Comercio Exterior), intervening or third-party operator (in Spanish, Operador Interviniente o Tercero) during this emergency period, provided the following conditions are met:
 - The custom penalty must be listed in the appendix included in the Resolution No. 006-2020-SUNAT/300000 (published on 20 March, 2020).
 - The custom fine is incurred between 12 March, 2020 and 9 June, 2020.
 - The correct and/or omitted information was transmitted or registered.

Suspension of Tax and Custom Procedures

- Suspension of Tax and Custom Procedures overseen by SUNAT and the Tax Court, for a period of 30 business days.
- For Tax and Custom Procedures subject to positive and negative administrative silence (pending) this period concludes on 28 April, 2020, restarting on 29 April, 2020.
- For the other Tax and Custom Procedures (to be started or pending) this period concludes on 6 May, 2020 restarting on 7 May, 2020 (i.e. Tax Audits).

Suspension of Tax and Custom Legal Proceeding overseen by Judiciary Branch

- Suspension of Tax and Custom Legal Proceedings overseen by Judiciary Branch, for a period of 28 calendar days. This period concludes on 12 April, 2020, restarting on 13 April, 2020.

Individual Income Tax (IT)

- SUNAT has extended the annual IT return filing and payment deadline for the 2019 fiscal year. The new deadlines are between 24 June, 2020 and 9 July, 2020.
- This rule is applicable for individual taxpayers that generated a net income not higher than 5,000 Tax Units during 2019 (PEN 21 MM = USD 6 MM approximately).
- SUNAT will automatically refund the IT that would have been overpaid by individual taxpayer (i.e. dependent and independent employees) before the legal term (i.e. March 10, 2020).

Corporate matters

- Superintendence of Securities Markets (in Spanish, Superintendencia de Mercado de Valores – SMV) has extended the deadline for presentation of the Finance Information (i.e. audited financial statements), Annual Report, Risk Classification Report, Information related to Economic Group, among others. The new deadlines are between 30 June, 2020 and 30 September, 2020.
- This measure is applicable to issuance companies with securities registered in the Securities Market Public (in Spanish, Registro Público de Mercado de Valores - RPMV), legal entities registered in the RPMV, mutual fund management companies and autonomous equity it manage.
- Besides, SMV suspended of the procedures (to be started or pending) that oversees, for a period of 30 business days.



Updated

As of 03 April 2020

Other measures and sources

Upcoming government measures in tax, labor and free competition matters

– By authorization of the Peruvian Congress through Law No. 31011, in the term of 45 calendar days, the Peruvian Government will issue laws on mainly the following matters:

Matter	Upcoming Government Measures
Fiscal and Tax Policy	<ol style="list-style-type: none"> 1) Temporary suspension of the macro-fiscal rules applicable to the public sector during the fiscal year 2020. 2) Provide facilities for payment of tax debts to the sectors affected with COVID-1, establishing special procedures Payment in instalments and/or Postponement tax debts. 3) Amend the following aspects of IT Law: <ol style="list-style-type: none"> i. Amend the calculation of the coefficient of IT Advance Payments to reduce or suspend them. ii. Allow the carry-over of the deduction of expenses for donations that cannot be applied in the 2020 fiscal year. This will allow that companies to continue donating during the State of National Emergency. iii Allow accelerated depreciation of certain fixed asset accounts. iv Exceptionally extend the deadline of 4 years for carrying forward tax losses bring obtained in the fiscal year 2020. 4) Redesign, eliminate and/or modify simplified Tax Regimes for micro and small taxpayers. 5) Extend and expand the scope of application of the Early Recovery Regime of VAT referred to in Law No. 30296.
Labor Policy	Supervise the protection of socio-labor rights of employees in the context of the Sanitary Emergency.
Free Competition Policy	Suspend of the enters in force of Urgency Decree No. 013-2019, Urgency Decree that establish ex-ante Control of Transactions of Corporate Concentration (published on 19 December, 2019) whose original date of in force was 20 August, 2020.

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As of 03 April 2020

General Information

Special regime for unemployment subsidy: The MTSS (Ministry of Labor and Social Security), issued resolutions establishing the creation of a special regime for unemployment subsidy that adds to the existing regime.
 Protocol for the prevention of infection and spread of covid-19: The Ministry of Labor and Social Security issued Resolution No. 54/2020 on 03/19/2020, expanding the provisions stipulated on 03/13/2020 in a tripartite manner in the CONASSAT.
Declaration of a national state of health emergency: Several Executive Branch decrees have been issued since March 13th referring to the health emergency and complementary measures.

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

DGI Resolution No. 550/2020 of 03/20/2020: extension of due date for obligations

- Extension of due dates for DGI tax obligations happening between March 23rd and March 26th, 2020, until March 27th, 2020, except for Commercial and Industrial Government Autonomous Entities and Decentralized Services.
- Tax payers included in literal E) of Article 52 of Title 4 of Texto Ordenado 1996 (small business) will be able to pay obligations corresponding to February (2/020) and March (3/020), in six equal and consecutive installments as of May 2020, including the installments corresponding to payment facilities which due date is in March and April.

The Congress of Intendants issued Circular No. 21/2020 of March 20th, in which the due date for the vehicle license tax is extended.

- Due date for vehicle license tax set for Match 20th, 2020 is extended to April 20th, 2020.

Employment-related measures
(e.g. state compensation schemes, training...)

Resolution No. 143/2020 of 03/18/2020

- **Term:** Said regime will operate for a term of 30 days and will be able to extend for the same period.
- **Covered workers:** includes workers belonging to the following sectors: i) commerce in general; ii) retail food commerce; iii) hotels restaurants and bars; iv) cultural and recreational services; v) travel agencies.
- **Conditions to access:** workers that appear in the Work Control Sheet for at least six months previous to the subsidy request and: i) are in a situation of partial suspension: a) because of reduction of number of monthly work days with a minimum of six wages a month, or b) because of reduction of 50% or more of the amount of work hours a day, and ii) meet the remaining requirements that were eln turn, clarifying that:
 - The regime included in Resolution No. 143/2020 of 03/18/2020, covers workers that in the last 12 months already used the cover (whether for discharge or total suspension of activity) of the general regime (these workers, would not initially have the right to do so because general regulations demand that, between different subsidy covers, there should be at least 12 months, six of them of effective contribution since they last received a payment).
 - Established in the Decree-Law No. 15.180 and its amending norms (however, annual generated work leave will not be a condition to access the special subsidy). It is expected to protect workers who have already used the unemployment subsidy regime cover with the special subsidy.
- **Subsidy amount:** will be equivalent to 25% of the monthly average of nominal compensations received in the six months prior to the cause for which the subsidy is generated, calculated proportionally to the covered period of the subsidy.

Employment-related measures (continued)

(e.g. state compensation schemes, training...)

Resolution No. 163/020 of 03/20/2020

The Ministry of Labor and Social Security (MTSS) expands Resolution No.143/2020 of 03/18/2020 that created a special unemployment subsidy regime for dependent workers belonging to certain activity sectors, incorporating all employees of the private sector that provide paid services to third parties (irrespective of the exclusions included in Article 4 of said norm) that are included in any of the Wages Council activity sectors.

- In turn, clarifying that:
 - the regime included in Resolution No. 143/2020 of 03/18/2020, covers workers that in the last 12 months already used the cover (whether for discharge or total suspension of activity) of the general regime (these workers, would not initially have the right to do so because general regulations demand that, between different subsidy covers, there should be at least 12 months, six of them of effective contribution since they last received a payment).
 - the special regime introduced in accordance with the COVID-19 emergency is optional and does not replace the existing subsidy, whether the general regime, or for extensions or other special regimes authorized by the Executive Branch.
 - the extension of the regime included in Resolution No. 143/2020 of 03/18/2020 to all private sector employees will allow them to use this cover as of the Resolution's effective date (it is a retroactive extension).
- The forms to request the partial unemployment subsidy for monthly workers will be available as of Wednesday, March 25th on the Social Security Bank (BPS) website.

CONASSAT Resolution of 03/13/2020

Established that it is responsibility of the employer, of the Bipartite Commission of Security (if corresponds) and of the Work Health and Prevention Services to coordinate the necessary procedures for the preparation of prevention, control and action protocols attending the nature and characteristics of each company and institution. The Ministry of Labor and Social Security has established recommendations for the preparation of prevention, control and action protocols, which were subsequently extended.

MTSS Resolution No. 54/2020 of 03/19/2020

Prevention and control measures:

- communication to workers: information with the characteristics and risks of the disease produced by the COVID-19 virus must be put up in a visible place; they must contain the description of said disease included in the MTSS Resolution.
- provision of hygiene materials in the workplace: In order to comply with control, prevention and action measures issued by the Ministry of Public Health, it is necessary to distribute alcohol and means of personal protection such as gloves for those activities in which workers have direct contact with the public.
- use of masks: The utilization of masks is recommended only in those cases in which there is direct contact with someone suspected to have the virus infection or the presence of coughing or sneezing. Its use can be considered for those jobs in which there is close and frequent contact with other people
- workplace and work equipment sanitation: all workplaces and work equipment must be cleaned and sanitized; surfaces such as desks, tables, doorknobs, handrails and objects such as phones and keyboards must be sanitized with disinfectant frequently.
- personal items: such as mate, bottles, cutlery and dishes must only be for exclusive use and not be shared with others.
- ventilation equipment: maintenance and cleaning of such equipment (such as hand dryers, air conditioning and ventilation) must be rigorous as well as the hygiene and ventilation of reduced spaces.
- hand hygiene: all those who are working must be indicated to wash their hands frequently with soap and water or to use alcohol gel. Given that hand hygiene is the main measure of prevention and control of the infection, there must be informative signs and posters about it in visible places.
- instruments for hand washing and disinfection: supplies for washing and disinfecting must be ensured, guaranteeing the continuous replenishment of soap in restrooms and kitchens.
- alcohol dispensers: alcohol dispensers must be placed in visible spots (counters, clock in devices, lunchrooms, general public services offices), ensuring their frequent replenishment.
- respiratory hygiene: indication that when coughing and sneezing, one must cover their mouths and noses with the elbow crease or with a tissue, having to place visible signs and posters related to respiratory hygiene measures.
- home office organization: work organization must be determined, between workers and/or the public, maintaining a distance of at least one and a half meters.
- concentration of people: avoid concentrations of people in all workplaces ensuring the minimal amount of people possible.

Employment-related measures (continued) <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>
<p>Executive Branch Decree of 03/25/2020 workers of 65+ years old</p> <ul style="list-style-type: none"> — People who are 65 years old or more, included in the subjective scope of the sickness subsidy established by Decree-Law No. 14.407 of July 22nd, 1975, will be able to isolate within a period of no more than 30 days, according to what companies determine and communicate to the BPS. Worker that perform or are able to perform their tasks from home are excluded. — Isolation will be understood as the permanence of people in their homes, except for cases of absolute necessity. — Those who are in isolation will be entitled to receive the monetary benefit corresponding to the sickness subsidy in the manner established by Decree-Law No. 14.407, for the isolation period. — Communication from the company will be understood as done by the health care provider. <p>Due to Covid-19 crisis, the Uruguayan government implemented a special short-time work scheme for a 30 day period as from March 18th (with the possibility of extending it for another 30 days). This special scheme:</p> <ul style="list-style-type: none"> — Includes monthly workers. — Includes employees from all activity sectors. — Includes employees who have utilized the regular short-time work scheme in the last year. — A minimum of six working days is required. — The subsidy to be received by the employee will be calculated based on 25% of the monthly average of computable nominal salaries received in the last six months. Its calculation will be proportional to the number of suspended or reduced days. 	<p>DGI Resolution No. 550/2020 of 03/20/2020: extension of due date for obligations</p> <ul style="list-style-type: none"> — Authorize Financial Intermediation Institutions, Financial Services Companies and Credit Administrator Companies of major assets, to extend their due dates for the credits given to the Non-Financial Sector – in agreement with their clients – for up to 180 days, for capital and interest payments. In the case of consumption depreciable loans, transfer of installments is authorized for those with due dates between March 1st and March 31st of 2020, as of the last installment originally set, or as of September 1st, 2020. — The authorization could be exclusively considered for debtors whose income is affected by the Health Emergency declared by the Executive Branch on March 13th, 2020 and comprises: a) current credits as of February 29th, 2020, b) credit operations defined between March 1st and March 19th, 2020 and c) operations with due dates not encompassed between March 1st and August 31st, 2020. — These extensions should not be considered as restructuring or renovation of credit (in the terms of numeral 2, Annex 1 of the accounting framework). From the point of view of the classification in risk categories (numeral 4 of said Annex), it will not imply a reclassification obligation, even during the time negotiation with the client lasts. — Institutions that use this authorization will have to adequately identify the extended credits, as well as those that have not been extended, but are in the negotiation process. The Financial Services Superintendence will provide the reporting regime. <p>As of 03/23/2020, the Central Bank issued Communication No. 2020/043: extension for reporting information</p> <ul style="list-style-type: none"> — Extend for 30 days the presentation of information corresponding to the fiscal year ended on 12/31/2019 which due dates occur during the months of March, April and May of 2020, according to the following detail: <ul style="list-style-type: none"> • Articles 521, 522, 523, 605, 605.1, 636 and 656 of the Recopilación de Normas de Regulación y Control del Sistema Financie • Articles 148 and 164.1 of the Recopilación de Normas de Control de Fondos Previsionales. • Article 138 of the Recopilación de Normas de Seguros y Reaseguros. • Articles 275, 276, 292, 293, 310.3, 314, 315, 316, 332, 339, 342 and 344 of the Recopilación de Normas de Mercado de Valores. — Extend for 30 days the presentation of information by the issuers of public securities and societies with government participation which due dates occur during the months of March, April and May of 2020. — Extend the diffusion of Reports corresponding to December 31, 2019 in the website of the Institution: <ul style="list-style-type: none"> • for 30 days, the annual report on corporate governance. • for 60 days, the report on capital, risk management and other prudential requirements. — Suspension of the presentation of the Report on capital self-evaluation corresponding to December 31st, 2019.

Economic stimulus measures (continued) (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>On March 16th, 2019, the Director of the Free Zones Area of the Ministry of Economy and Finances resolved to:</p> <ul style="list-style-type: none"> — add flexibility to the application of dispositions of the Regime that oblige Free Zone Companies to carry out their activity from free zone territory. — authorize, temporarily and exceptionally all Free Zone personnel to carry out their work tasks from home, as long as the nature of the activity allows it, for the period between March 16th and March 30th of 2020. <p>On March 25th, 2020, the Director of the Free Zones of the Ministry of Economy and Finances resolved to:</p> <ul style="list-style-type: none"> — extend the term of flexibility to the application of dispositions of the Regime that oblige Free Zone Companies to carry out their activity from free zone territory, for the period between March 30th and April 10th, 2020. 	<p>Executive Branch Decree of 03/24/2020: adapts measures regarding entry to the country:</p> <ul style="list-style-type: none"> — Only Uruguayan citizens and foreign residents coming from abroad are authorized, with the exception of some foreign citizens. — Entry to the country is authorized only for Uruguayan citizens and foreign residents coming from abroad, being subject to the sanitary measures established in Article 8 of Decree No. 93/020 of March 13th, 2020. — Entry of foreign citizens from any country is prohibited, except for: <ul style="list-style-type: none"> — Foreign residents in the country. — Crew members of aircrafts and ships. — Drivers who transport goods internationally, merchandise, correspondence, inputs and humanitarian and sanitary help. — Diplomats accredited to the Uruguayan government or to international organizations with offices in the country. — Foreigners that benefit from the humanitarian corridor established for the arrival of cruises in the Montevideo Port. — Brazilians that, proving their condition of border city residents, enter the country through the Uruguay-Brazil border. — Duly founded cases of international protection according to Law No. 18.076 of December 19th, 2006 (Refugee Law), which must be analyzed, case by case, taking into consideration the particular situation of those who arrive on account of family reunification with foreigners who already have permanent residence in the country. — Those covered in literals a,b,c,d and g must comply with the sanitary measures established in Article 8 of Decree No. 93/020 of March 13th, 2020. — Citizens and residents from MERCOSUR countries are authorized to be in transit in Carrasco International Airport "General Cesáreo L. Berisso" and Laguna del Sauce Airport "Capitán de Corbeta Carlos A. Curbelo", not being allowed entry the country. — Commercial, private, or any other passenger transportation modality flights will only enter the country if they transport Uruguayans stranded abroad. <p>Main sources of information:</p> <ul style="list-style-type: none"> — Resolution No. 143/2020 of 03/18/2020: https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/documentos/noticias/Resolucion%20143%20-%2018-3-2020.pdf — Resolution No. 163/020 of 03/20/2020: https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2020-03/Resolucion%20de%2018%20de%20marzo%20de%202020..pdf — CONASSAT Resolution of 03/13/2020: https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2020-03/CONASSAT.pdf — MTSS Resolution No. 54/2020 of 03/19/2020: https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2020-03/Resolucion%2054.pdf — The MTSS issued Resolution No. 55/020 on 03/20/2020 (https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2020-03/resolucion%20autorizando%20adelanto%20de%20licencia..pdf) — DGI Resolution No. 550/2020 of 03/20/2020 https://www.bcu.gub.uy/Comunicados/seggco20040.pdf



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As of 03 April 2020

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>
<ul style="list-style-type: none"> – Few Municipalities granted extensions on filings and payments of municipal taxes that is assessed on gross income from commercial industrial activities. – Imports made by the public sector to avoid the extension of COVID-19 will be exempt from custom and value added taxes. – No benefits, extensions or incentives have been announced in relation to direct and indirect national taxes. 	<ul style="list-style-type: none"> – On March 23, 2020 was published the Decree N° 4167 containing the Special Bar Against Dismissals ratifying the special protection against dismissals until December 31, 2020. The Special Bar Against Dismissals means that employers may not dismiss, impair the labor conditions, or transfer a worker without just cause 	<p>Special Regime for credit granted by banking institutions</p> <ul style="list-style-type: none"> – The Ministry of the People’s Power for Economy and Finance, through the Superintendence of the Banking Sector Institutions (SUDEBAN, for its Spanish acronym), shall implement a special payment regime for credits in force and effect in the domestic banking sector, both public and private, under the following guidelines: – The special regime shall be applicable to any type of credit granted by banking institutions, in force and effect and paid up whether in full or partially by March 13, 2020. – The payment of both principal and interest will be extended, as well as any restructuring terms and any other clause contained in the respective credit agreements. – The suspension of payments may be established, entailing payment enforcement and compliance of any other condition relating to the suspended payment, for a term of up to one hundred and eighty (180) days. – Special conditions of a general nature may be established for certain credit categories – Neither delay interest nor the immediate payment enforceability upon any credit may be established at the end of the suspension period. – In addition, credit assignment by banking institutions is instructed under priority terms to the strategic sectors which activities are essential for the purposes of attending the preventive and mitigating measures concerning the overall alarm status decreed by the Executive



Other measures and sources

- Decree number 4.160 was published in Official Gazette N° 6.159 Extraordinary, dated March 13 of 2020 whereby an overall alarm status is declared for the purposes of allowing the Executive to adopt urgent, effective and necessary measures involving the protection and preservation of health of the Venezuelan population, and intended to mitigating and eliminating epidemic risks in connection with the coronavirus (COVID-19) and its potential strands, thereby ensuring timely, effective and efficient care of any cases that may be originated. Amongst these measures to be adopted by the Executive as per the contents of the decree, follow:
- Imposing circulation restrictions (for both car traffic and pedestrians) at certain geographic areas as well as for entering or leaving restricted zones, whenever this may be deemed necessary as a measure for protection against or containment of the COVID-19 coronavirus.
- Ordering employment activity suspension for those job functions that cannot be undertaken via remote (home office), except for certain cases such as domestic public services companies, fuel and lubricants selling establishments, healthcare services, pharmacies, etc.
- Ordering the suspension of international flights into the Venezuelan territory or departing from the Venezuelan territory for as long as this suspension may be deemed convenient.
- The final provisions of the decree establish that the suspension or interruption of an administrative procedure as a result of the activity suspension measures or of the circulation restrictions issued, may not be considered as a cause attributable to the interested party and it may not be alleged as cause for delay or tardiness in the compliance of the obligations of the public administration. In any case, upon the suspension or restriction override, the public administration must immediately resume the procedure.
- Finally, this decree will be effective for 30 days, subject to extension for 30 additional days, until the coronavirus (COVID-19) epidemic and its potential strands containment is deemed adequate, and all contagion factors are duly controlled.

Suspension of leases

- On March 23, 2020 was published the Decree N° 4167, containing the decree N° 03 In the framework of the alarm status to attend the sanitary emergency of Coronavirus (COVID-19), through the payment suspension of lease fees for commercial property and those used as main housing are suspended, under the following guidelines:
- Commercial and main housing leases are suspended until September 1, 2020
- Since the official publication of this decree, evacuation for non-payments that lessors could have immovable property or main housing are suspended for six (6) months
- Establish a payment suspension and encourage the restructuring part of payments
- In case of not reaching an agreement in the payment restructure it will be resolved with the National Superintendent for the Defense of Socio-Economic Rights (SUNDDE) about commercial property, and the National Superintendence of Housing Lease (SUNAVI) in case of main house.
- In no case may the lessee be obligated to pay the full amount of fees and other concepts accumulated immediately at the end of the suspension period.
- The vice president of sectorial economy will be the entity in charge of this decree completion
- This Decree will enter into force on March 23, 2020, the date of its publication in the Official Gazette of the Bolivarian Republic of Venezuela

Main sources of information

- Government of Venezuela: <http://www.presidencia.gob.ve/Site/Web/Principal/paginas/classIndex.php>



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General Information

Israel has announced a raft of measures across all areas, including extending tax deadlines, freezing enforcement actions, creating a special loan facility for SMEs and increasing flexibility in the employment market, amongst other measures. The Israeli government on 27 March 2020 published Temporary Regulations #8432 to provide tax-relief measures related to the coronavirus (COVID-19) pandemic.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

The regulations provide extensions of time for certain tax-related deadlines. Specifically, the period 22 March 2020 – 31 May 2020 is not considered to be “calendar days” for purposes of determining tax-related deadlines and certain terms established under the Israeli tax laws. In particular, the regulations extend the:

- Concerning dates provided by the income tax law:
 - Deadlines for the tax authorities to answer a taxpayer request for an advance pricing agreement
 - Deadlines for distribution of stock options to employees after approval
 - Deadlines for submission of notification of certain qualified tax-neutral reorganizations
 - Certain deadlines for collection of tax debts
 - Deadlines for auditing tax returns
 - Deadlines for taxpayers to appeal the tax authorities decisions
- Concerning dates provided by the value added tax (VAT) law:
 - Deadlines for auditing tax returns
 - Deadlines for taxpayers to appeal certain types of tax authorities' decisions
- Concerning dates in the real estate tax law:
 - Deadlines for issuance of a written decision by the tax authorities
 - Deadlines for various notifications that need to be submitted to the tax authorities—in particular, notifications of selling an apartment
 - Deadlines for the tax authorities to confirm or contest the value used in a transaction and for the taxpayer to appeal this determination
- Concerning dates in the law for encouraging investments:
 - Deadlines for applying for the "election year" for start of the benefits
 - Deadlines for applying for advance approvals

The regulations also address deadlines in other “minor” or grandfathered tax laws. Regarding other tax-related measures, the regulations extend the:

- Deadline for filing annual corporate income tax reports—the due date of 31 May is postponed to 31 July 2020 (further extensions are available upon request), and the same deadlines apply for individual income tax reports submitted electronically.
- Deadline for filing paper individual income tax reports—the due date of 30 April is postponed to 30 June 2020 (further extensions are available upon request).
- Deadline for monthly VAT reporting and payment—the due date of 16 March is postponed to 26 March 2020.
- Deadline for bi-monthly VAT reporting and payment—the due date was postponed from 15 April to 27 April 2020.
- Deadline for renewing annual withholding tax certificates—the due date is postponed from 31 March to 30 April 2020.

The VAT authorities will allow an input VAT deduction to be claimed with the submission of a scanned copy of a tax invoice issued in the period between 1 March 2020 and 31 May 2020 (normally a signed paper original or a digital copy with electronic signature is required).

Entrepreneurs affected by the COVID-19 situation may apply for decrease of social security advance payments. For self-employed individuals, the deadline for the March 2020 social security payments is postponed from 15 April 2020 to 15 May 2020.



Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> - On 16 March, the government announced further measures of importance to SMEs, which include (alongside measures to enhance access to loans already announced): <ul style="list-style-type: none"> • Special aid grant for self-employed - intended for self-employed with small businesses in anticipation of projected losses due to the decline in economic activity. • Increased flexibility in the employment market by extending unemployment benefits to employees who are sent on unpaid leave for 30 days or more. 	<ul style="list-style-type: none"> - On 8 March, the Finance Ministry opened a special loan facility for struggling companies to receive support from the State Guarantee Fund for Small Businesses. The facility is primarily aimed at SMEs. It provides working capital loans of up to 5 years to a maximum of NIS 500 000 or up to 8% of the company's last annual turnover, with options to defer payment for half a year. Banks are expected to provide credit approval within nine working days. - On 11 March, the Government announced a further NIS 10 billion support package, doubling the amount available under the loan fund. - On 16 March, the government announced further measures of importance to SMEs, which include (alongside measures to enhance access to loans already announced): <ul style="list-style-type: none"> • Advance of payments to small and medium government suppliers; • Postponement of self-employed, small and medium business mandatory payments; <p>Furthermore, a number of other policy measures are currently in place:</p> <ul style="list-style-type: none"> • Reducing the level of collateral for businesses (while increasing government guarantees at the same time) in the Small and Medium Business Fund from 25% to only 10% for any business that submits a signed statement regarding damages from the Coronavirus. The fund's credit line will be increased to four billion NIS. • A support package of 10 billion NIS to SMEs, mostly through the State guarantee Fund to SMEs, to finance working capital in view of cash flow difficulties: <ul style="list-style-type: none"> • State guarantees increased to 85% of the loan amount • Reduced collateral up to 10% • Longer repayment period up to 5 years • Shortened loan approval at the bank – up to 9 working days • Loan up to 500 000 NIS or 8% of the company's annual revenue (the highest between the two) • Israel's five largest banks, which account for about 99% of overall banking activity, declared a deferment of mortgage and loan payments (with a waiver of deferred payment fees) for the next three months. Israel's largest mortgage bank, bank Mizrahi Tefahot, will postpone payments for four months. • The same applies for state-funded mortgages. • As directed by the Accountant General of the Ministry of Finance, the government pays its suppliers within a few days, while the maximum amount of time to refund businesses was reduced from 45 to 30 days. • Promoting local procurement: encouraging residents to buy from local SMEs by local authorities, through investments in marketing within the community. 	<ul style="list-style-type: none"> - Flexible payments for electricity bills. - Freezing enforcement actions, including new foreclosures and the postponement of outstanding foreclosures. - Reducing the enforcement of by-laws within certain local administrations vis-à-vis businesses. - Creating a network of local authority' representatives, for peer learning and communicating "field" knowledge to the Ministry of Economy, and vice versa. <p>Main sources of information:</p> <ul style="list-style-type: none"> - Government of Israel: https://mof.gov.il/AG/FinancingAndCredit/StateGuarantees/Pages/corona-virus-loan.aspx - Israel: Extensions of tax-related deadlines (COVID-19) : https://home.kpmg/us/en/home/insights/2020/03/tfn-israel-extensions-of-tax-related-deadlines-covid-19.html

General Information

Qatar has focused on taking tax measures and developing infrastructure to enable people to better work and/or study remotely. They are also focusing on developing infrastructure to minimize the spread of the coronavirus and are prepared to accommodate at least 18,000 people in a quarantine compound, if needed. Qatar government announced yesterday its partnership with Microsoft to implement modern workplace solutions such as Microsoft Teams to enhance productivity by empowering its workforce to work remotely. The move will foster communication and collaboration amongst government entities to ensure uninterrupted delivery of services to businesses and citizens.

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

- The General Tax Authority (“GTA”) has issued Circular No.5 for the year 2020 Thursday evening, in response to letters received by the GTA, requesting for an extension of the deadline for filing tax returns for the year ended 31 December 2019 (FY 2019).
- The GTA has provided an extension of 2 months for filing the tax returns for the FY 2019; whereby 30 June 2020 will now be the deadline to file the said tax returns. The circular has been issued in light of the exceptional circumstances that the State is facing during this period.

Employment-related measures
(e.g. state compensation schemes, training...)

- Ministry of Public Health (MoPH) has published new guidelines on the working hours in the Medical Commission Department, starting from next Sunday (March 29).

Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> – Leading Telecom companies like Ooredoo and Vodafone have contributed to the Government's effort to ensure the safety of people by improving the capacity of the existing infrastructure to ensure everyone is better connected while working from home, focusing on doubling the internet speed without any extra charges. – MoEHE has announced the use of Microsoft Teams and Learning Management System (LMS) applications to enable schools and education institutions to interact with students and parents and deliver digital content to ensure a smooth educational process during these times of crisis – Upon the directives of Amir H H Sheikh Tamim bin Hamad Al Thani, to support the economic and financial sector within the framework of the precautionary measures to combat the spread of the COVID-19) and H H the Amir's directives to support and provide financial and economic incentives, amounting to QR75bn for the private sector, Prime Minister and Minister of Interior H E Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani, directed to allocate guarantees to local banks at an amount of QR3bn. – Qatar Finance and Business Academy (QFBA) launched an initiative called "Azm" to empower businesses in times of crisis, aiming at training and assisting talented and promising entrepreneurs from the Qatari community to reduce the key strategic risks associated with the coronavirus on the financial sector, and facilitating the adoption of the best risk management practices by companies, during the current global crisis. – Governor of Qatar Central Bank (QCB), H E Sheikh Abdullah bin Saoud Al Thani has launched the "Qatar Mobile Payment System" (QMP), which provides a new and safe method for immediate electronic payment, after completing the infrastructure and all the requirements of the central system for electronic payment at the State level, according to international best practices in the field of mobile payment services. 	<ul style="list-style-type: none"> – Minister of Public Health H E Dr. Hanan Mohamed Al Kuwari and Minister of Municipality and Environment H E Abdulla bin Abdulaziz bin Turki Al Subaie inspected the newly established Umm Slal quarantine compound as part of the precautionary and preventive measures taken by the government against COVID-19. Umm Salal quarantine compound is composed of 32 buildings with capacity for 18,000 beds and will be available once the compound is fully equipped in the next few weeks. – Sidra Medicine has introduced drive-through collection for dispensing medications at the outpatient building. Patients have to call on 40030030 and confirm their time slot for the collection. – In addition to traditional hotlines, government entities in Qatar have intensified the use of social media platforms to inform and raise the awareness of both citizens and residents about the measures taken and instructions given to control the spread of the virus within the State. Efforts are also taken to limit the spread of misinformation on these social platforms. – Companies in Qatar started communication campaigns through apps, social media and text messaging to urge their customers to use mobile services and avoid being exposed to infection. Such services include e-Government services via the Metrash application, mobile banking operations through banking applications and web portals, telecommunication services for credit top-ups and contract management, or catering and grocery services via order management and delivery platform. <p>Main sources of information:</p> <ul style="list-style-type: none"> – Qatar: Two-month extension, tax return filing date (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-qatar-two-month-extension-tax-return-filing-date-covid-19.html

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As of 03 April 2020

General Information

The Saudi Arabian Monetary Authority unveiled a \$13.3 billion package on March 15. The “Supporting Finance for the Private Sector” program will support SMEs through three components, including \$8 billion to support banks defer SME payments, \$3.5 billion for concessional financing and \$1.6 billion to support loan making to small businesses. There are also numerous tax related measures, including extending deadlines for filing tax returns and paying those taxes. Public sector workers will continue to receive salaries, but there is no further information on private sector workers yet.

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)

- Measures announced to provide relief for taxpayers include easing tax return filing and tax payment requirements for a limited time in response to the coronavirus (COVID-19) pandemic.
- The General Authority for Zakat and Tax (GAZT) introduced a general extension of three months for filing tax returns and payment of the related taxes for registered taxpayers. The extensions apply for Zakat, income tax, withholding tax, value added tax (VAT), and excise tax due for the period from 18 March to 30 June 2020 as follows:
 - Tax/Zakat: Return filing dates will be postponed until 31 July for taxpayers with a December year-end, certificates will be issued without restrictions for the year 2019
 - VAT: Return filing dates for VAT will be postponed until 30 June, 31 July, 31 August, 30 September for the February, March, April, and May periods.
 - Excise tax: Payments due on goods imported during the postponement period can be delayed, but the importer must submit monthly temporary returns to GAZT.
 - Withholding tax: Filing dates for submission of returns are now due on the 10th of July, August, and September for the March, April and May periods.
 - Delay penalties: Taxpayers are exempted from late (delay) penalties for the submission of returns and the associated payments for all taxes (listed above) that fall due within the period starting from 18 March to 30 June 2020.
 - Payments suspended: Penalties will not apply for payments of tax that are suspended.
 - Refund payments: Refunds due to taxpayers are to be expedited.

Employment-related measures
(e.g. state compensation schemes, training...)

- Fiscal Policy:**
- It will also enable employers to refund fees of unused work visas.
 - Public sector workers will continue to receive salaries; no other specific policy discussed for private sector workers who have been ordered home for 15 days starting 19 March

Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<ul style="list-style-type: none"> On 14 March, Saudi Arabia announced a stimulus package, including SAR 50 billion (USD 13.3 billion) for SMEs. Under Saudi Arabia's programme, SAR 30 billion will be allocated for banks and financing companies to delay loan payments due from SMEs for six months. The package will provide SAR 13.2 billion to SMEs through bank loans to help them to continue operations and support growth. SMEs will also get relief from finance costs through a SAR 6 billion loan guarantee programme. <p>Monetary Policy:</p> <ul style="list-style-type: none"> The Saudi Arabian Monetary Authority unveiled a \$13.3 billion package on March 15. The "Supporting Finance for the Private Sector" program will support SMEs through three components: \$8 billion to support banks in deferring SME payments for six-months; \$3.5 billion to provide concessional financing; \$1.6 billion in guarantee provision to support loan-making to small businesses. The final component of the program will support the e-commerce sector, with the provision of a \$213 million fund to cover payment fees. A new economic committee has been set up to coordinate and review the programs and incentives put in place by the National development fund, Kafala Program, General Authority for Small and Medium Enterprises, and Saudi Import Export Bank. There are monetary incentives to ease financing targeted at SMEs, but no fiscal incentives announced yet in terms of tax delays. Focus is on keeping businesses shut for next 14 days. 	<p>Fiscal Policy:</p> <ul style="list-style-type: none"> On 20 March, Saudi Arabia announced \$18.6 billion in fiscal initiatives. These include an exemption from the expat levy, extending for 3 months without charge. <p>Main sources of information:</p> <ul style="list-style-type: none"> Saudi Arabia: Tax relief measures in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-saudi-arabia-tax-relief-measures-in-response-to-coronavirus.html



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As of 03 April 2020

General Information

Turkey has launched a 21 point stimulus package (Economic Stability Shield) worth USD 15.4 billion to tackle the coronavirus pandemic, and cut interest rates by 100 basis points. In addition, Turkey has pledged a “series of measures” relating to Fiscal Policy, comprising tax breaks and deferrals, along with credit guarantees and delays in loan repayments.

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> – (16 March) Turkey is considering offering tax relief as one of several possible measures to help companies and small businesses cope with an economic slowdown in the face of coronavirus. – (18 March) Ankara unveiled a TRY100bn (\$15.4bn) economic package comprising tax breaks and deferrals, as well as credit guarantees and delays in loan repayments. 	<ul style="list-style-type: none"> – (18 March) The government unveiled measures to support labor markets, including a doubling of the part-time compensatory work scheme to four months. 	<ul style="list-style-type: none"> – (17 March) Turkish Central Bank cut its key interest rates by 100 basis points. The bank said it would also provide banks with as much liquidity as they need through intraday and standing overnight facilities. – Turkey launched a 21 point stimulus package (Economic Stability Shield) worth USD 15.4 billion to tackle the coronavirus pandemic, including: <ul style="list-style-type: none"> • A three-month deferral of loan payments by companies and will offer additional financial support to affected businesses • A reduction of VAT on domestic air travel from 18 percent to 1 percent for three months • Accommodation tax will be cancelled until November • Social security premiums will be deferred by six months for retail, iron and steel industries, shopping malls, automotive, entertainment and hospitality sectors, food and beverage businesses, textiles as well as event organization sectors • Stock financing assistance to importers who are affected by the global pandemic. – The CBRT convened an emergency meeting on 24 March, 2 days ahead of its scheduled regular meeting, and slashed its benchmark 1-week repo rate by 1pp to 9.75%. The move takes Turkish real yields deeper into negative territory (annual inflation rate at 12.37%), which may disadvantage investors but may help domestic liquidity. – The CBRT also instituted a host of emergency measures including 91-day repo auctions at a 150bps discount to the benchmark rate, a 500bps cut in FX reserve requirements that it hopes will free up \$5.1bn for Turkish banks, and repayment delays for rediscount credit (FX loans to exporters) for up to 3 months that could postpone repayments of up to \$7.6bn. 	<ul style="list-style-type: none"> – Turkey says it may halt face-mask exports because of domestic needs. Restrictions have been placed on facemasks (which can still be exported as long as domestic demand is met). Exports of other items such as medical/ sanitary gloves and medical suits are under review. <p>Main sources of information:</p> <ul style="list-style-type: none"> – Government of Turkey: https://www.tcgb.gov.tr/en/

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As of 03 April 2020

General Information

The United Arab Emirates has implemented a travel ban on non-Emiratis residents, reduced customs fees and municipality fees, cut interest rates and is rolling out a \$27 billion stimulus package to attempt to reduce the impact of the coronavirus on the economy.

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<p>The Dubai Government has announced the following measures:</p> <ul style="list-style-type: none"> – A refund of 20% of the customs fee imposed on imported products sold in Dubai – A 90% reduction of fees imposed on submission of customs documents 	<ul style="list-style-type: none"> – An extended travel ban has been placed on residents (non-Emiratis) which may have an impact on expat labor if extended for considerable period of time. 	<ul style="list-style-type: none"> – The UAE Central Bank cut interest rates to 0.75% but kept repurchasing rates. – The UAE Central Bank is rolling out a stimulus package of \$27bn, and Dubai also added its own stimulus package of \$409 million. – Temporary exemptions on principle payments and interest on loans have been approved for the private sector affected by Covid-19. Efforts are being made to create a banking environment that is more friendly to investors, including first-time property buyers, and boost lending capacity. There are numerous exemptions, waivers and rebates to help stabilize the above mentioned sectors, plus encourage further investments. 	<ul style="list-style-type: none"> – The Dubai Government has announced the following measures: <ul style="list-style-type: none"> • Reduction of municipality fees imposed on sales at hotels from 7% to 3.5% – The Abu Dhabi Government has also announced the suspension of tourism and municipality fees for the tourism and entertainment sectors until the end of this year. <p>Main sources of information:</p> <ul style="list-style-type: none"> – UAE: Tax relief included in responses to coronavirus (COVID-19) in Dubai and Abu Dhabi: https://home.kpmg/us/en/home/insights/20/03/tnf-uae-tax-relief-included-in-responses-to-coronavirus-in-dubai-and-abu-dhabi.html – UAE: Customs duty refunds, customs relief in Dubai (COVID-19): https://home.kpmg/us/en/home/insights/20/03/tnf-uae-customs-duty-refunds-customs-relief-in-dubai-covid-19.html



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As of 03 April 2020

General Information

Algeria has introduced a number of tax-related measures, and reduced the reserve ratio for banks.

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<ul style="list-style-type: none"> – Extension of the deadline for the subscription of declarations and the payment of duties and taxes – Taxpayers under the real estate regime: <ul style="list-style-type: none"> • Postponement of the subscription of the monthly declaration series G n° 50 of February and of the payment of the duties and taxes relating thereto until April 20, 2020. • Deferral of payment of tax instalments IRG / IBS until April 20, 2020. • Taxpayers, falling under the GD, subject to the obligation of tele-declaration and tele-payment are not concerned by these measures. – Taxpayers exercising liberal professions: Postponement of the subscription of the monthly declaration series G n° 50 of February (concerning IRG/salaries), until 20 April 2020. 	<ul style="list-style-type: none"> – The Monetary Policy Operations Committee decided to reduce the required reserve ratio from 10% to 8% and to lower the reserve ratio by 25 basis points (0.25%). The key rate of the Bank of Algeria set at 3.25% as from 15 March 2020. 	<p>Main sources of information:</p> <ul style="list-style-type: none"> – Government of Algeria: https://www.mfdgi.gov.dz/index.php/8-contenu-en-francais/actualites/1625-test – Bank of Algeria: https://www.bank-of-algeria.dz/pdf/communique15032020.pdf



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As of 03 April 2020

General
Information

Egypt has announced a USD 6.4 billion stimulus package, extending credit repayments for SMEs and increasing the daily withdrawal limits for debit and credit cards. The Central Bank has also announced a rate cut of 3%.

Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

On 14 March, the government announced a USD 6.4 billion stimulus package.

Key measures taken

- The reduction of natural gas and electricity prices to industries;
- The postponement of repayment of loans for small and medium-sized companies by 6 months and the cancellation of ATM withdrawal fees for the same period;
- The central bank's allocation of 20 billion Egyptian pounds (\$1.2bn) to support the country's stock exchange;
- A 3% cut in interest rates;
- The increase of the daily withdrawal limits for credit and debit cards by the central bank;
- The grant of an "immediate" financing for the import of key commodities.



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As of 03 April 2020

New country

General Information

According to the Special Declaration made by the Prime Minister dated of March 17th, 2020, the government has taken measures to fight against the spread of the COVID 19 pandemic in Cameroon. The main measures concern the suspension of the entry visas to Cameroon; the closure of the Cameroon’s land, air and sea borders with the exception of cargo flights and vessels transporting consumer products and essential goods; closure of public and private training establishments; prohibition of gatherings of more than 50 people; respect of the health measures recommended by WHO.

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Other measures and sources
<p>The tax measures are being adopted and will be communicated in the coming day. In the meantime and according to the information provided by tax administration, conservatory measures have been taken:</p> <ul style="list-style-type: none"> – Suspension of ongoing and uncommitted tax audits; – Suspension of actions for unforced recovery ; – Issuance of non remittance certificates to companies with unpaid taxes. 	<p>According to a press release of March 20th, 2020, the General Secretary of the Ministry of Labor and Social Security has set the necessary measures to prevent the spreading of COVID 19 in the workplace. Thus, Employers are invited to :</p> <ul style="list-style-type: none"> – Provide staff and visitors with alcohol-based hand sanitizing products, masks and single-use handkerchiefs ; – Ensure regular cleaning of premises and work tools; – Limit business trips to risk areas as such as possible. 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Government of Cameroon: www.spm.gov.cm – Ministry of Labor and Social Security : www.mints.gov.cm



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As of 03 April 2020

New country

General Information

The DRC Government has taken a series of important measures to mitigate the negative impact of COVID-19 on the Congolese economy. These measures include supporting the supply of basic necessities, supporting household demand for basic necessities, as well as fiscal, monetary and exchange rate and financial sector measures to support any economic and social activity and also preserve the social well-being of the Congolese people.

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<p>Several tax measures have been decided by the DRC government in order to mitigate the harmful effects of COVID-19 outbreak:</p> <ul style="list-style-type: none"> – Exemption from all duties, taxes, levies and fees on import and sale of pharmaceutical inputs and products, as well as medical materials and equipment linked to pandemic for a period of 6 months; – Suspension for a period of 3 months, of collection of VAT on the import and sales of basic necessities or mass consumption products; – Suspension for a period of 3 months, of payment of employee tax(IPR) on the remuneration and bonuses of civil servants; – Suspension for 3 months of the payment of some local taxes on agricultural products; – Suspension for 3 months of the payment of the tax on rent payable by the companies; – Suspension for 3 months of certain fiscal, parafiscal and economic controls; – Emergency removal of inputs and pharmaceutical products currently under customs control; – And suspension for 3 months, of the application of penalties in the event of delay in clearance of essential goods 	<p>With regard to the measures related to employment, we noticed the following:</p> <ul style="list-style-type: none"> – Prohibition of any mass dismissal based on lockdown measures; – The possibility of resorting to staff rotation in the event, in particular of proven drop in activity and minimum service. 	<ul style="list-style-type: none"> – Creation of a fund to support spending measures relating to the crisis; – Decrease of the key rate from 9.0% to 7.5%; – Decrease of the coefficient of the reserve on demand deposits and national currency from 2% to 0%; – Decision to support the revival of companies 'activities by means of financing from the Fund for the Promotion of Industry (FPI) at zero rate; – Promotion of credit to the food and pharmaceutical sectors; – Granting of grace periods on loan repayments, taking into the situation caused by the Coronavirus; – Postponement to January 1, 2022 of requirement of the minimum capital of banks to the equivalent of USD 50 Million; – Increase to 2,500 USD(or its equivalent in CDF), of the monthly limit of the amounts of daily transactions in electronic money and the uncapping of the monthly limit of electronic transactions – suspension of the application of late payment penalties on overdue receivables during crisis period; 	<ul style="list-style-type: none"> – Granting for 2 months of the supply of water and electricity free of charge to households, hospitals as well as micro & small and medium-sized enterprises which are affected by the closure measure as part of the response against COVID619; – Prohibition of eviction of tenants who did not honor their commitments only from March to June 2020; – The removal of police barriers and checkpoints within the national territory, on the routes of transport of essential products.



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As of 03 April 2020

General Information

The Central Bank of Ghana has taken measures to mitigate the negative impact of the outbreak, including cutting interest rates and reserve requirements, and decreasing banks' conservation buffers.

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> – The Revenue Administration Act (Act 915) provides for taxpayers to apply for extension of time to file and pay tax: an opportunity for extension could be sought for at most two months. No further extension can be granted at this stage and failure to file the tax return will result into penal charges. A lock down will generally not impact the payment of any tax due (as payment can be made through wire transfer). Nevertheless, a lock down might affect the filing of tax returns, which still requires the physical presence at the tax Office. 	<ul style="list-style-type: none"> – Workers have been asked to work from home whenever possible. 	<p>Monetary policy</p> <ul style="list-style-type: none"> – Cut of key interest rate to 8-year low from 16% to 14.5%; – Lowering reserve requirements for lenders from 10% to 8% in order to provide liquidity support to critical sectors; – Decrease in the banks' conservation buffer from 3% to 1.5%, which cuts the capital-adequacy ratio from 13% to 11.5%. – Asked the IMF for a rapid disbursement of a credit facility to help the country face the negative economic impact caused by the Covid-19 outbreak. – The Bank of Ghana has decided to decrease the cost of fund transfers through mobile money, in order to avoid a low in transactions. Besides, no mobile money transactions below GH100 (USD18) will be charged by service suppliers for the next three months. 	<p>Main sources of information:</p> <ul style="list-style-type: none"> – Ghana: COVID-19 - Tax Implications: https://home.kpmg/gh/en/home/insights/20/03/gh-covid-19-tax-implications.html

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As of 03 April 2020

Updated

General Information

The CBWAS has taken several measures to mitigate the impact of Covid-19, including granted financial aid to commercial banks, decreasing the cost of fund transfers through mobile money, delaying financial debt reimbursements and granting loans to companies.
The Ivorian government has taken several measures including business support measures, economic support measures and social measures for population to mitigate the impact of Covid-19 and to preserve the key sectors of the economy.

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<ul style="list-style-type: none"> – On March 30, the Government announced the following tax relief measures to address the impact of the coronavirus (COVID-19) pandemic on taxpayers: – The suspension of tax audits procedures for a three-month period; – The reduction of 25% of Transport Business license; – The postponement of payment for three months of : <ul style="list-style-type: none"> – flat-rate taxes for small traders and craftsmen (particularly in the scrublands, restaurants, nightclubs, pubs, cinemas and places of entertainment); – taxes, duties as well as social contributions in case of cash flow difficulties encountered by companies; – taxes on capital income for companies operating in tourism and hostels sectors and which experiencing economic difficulties; – Exemption from import duties and taxes of health equipment, materials and other health inputs related to the fight against COVID19; – Penalty waiver for delays in the execution of public contracts and orders with the State and its branches during the crisis period; – Reimbursement of VAT credits within two (2) weeks by a lightening of customs controls prior to import and the strengthening of customs controls after the import ; – Payment of public debt, especially to companies affected by the crisis with priority to invoices under 100 million xof in order to reach the maximum number of companies, especially the Small and Medium Enterprises; – The reorganization with the two Ports (Abidjan and San Pedro) of the payment of storage fees during the period of the pandemic in order to defer the penalties in case of exceeding the deadlines related to the storage and stevedoring activities. 	<p>On 21 March 2020, the CBWAS took major measures, in order to mitigate the negative impact of the sanitary crisis:</p> <ul style="list-style-type: none"> – A FCFA340bn financial help has been granted to commercial banks, so they can sustain the economy; – 1,700 companies have been granted loans, while they were not eligible so far, so that they can benefit from further resources; – The West African Development Bank (WADB) will receive FCFA25bn from the CBWAS, in order to lower its interest rate and increase the amount of loans granted to WAMU members, so as to be able to fund the domestic economy; – To accept to delay financial debt reimbursements, especially for SMEs; – To decrease the cost of fund transfers through mobile money, in order to avoid a low in transactions; – To fund commercial banks with enough cash to guarantee a good working of cash machines; – If necessary, to reorganize the schedule of Treasury bills issuance. <p>The government announced several measures to preserve the key sectors of the economy:</p> <ul style="list-style-type: none"> – The setting up of a private sector support fund for an amount of XOF 250 billion, in order to strengthen the SMEs with at least XOF 100 billion and the setting up of guarantee funds, in order to facilitate the access to bank credits ; – The setting up of a specific support fund for informal sector enterprises affected by the crisis for an amount of XOF100 billion. – Support for the main sectors of the national economy, particularly cashew nuts, cotton, rubber, oil palm, cocoa and coffee with XOF 250 billion; – Support for food, market gardening and fruit production for an amount of CFAF 50 billion, including CFAF 20 billion for inputs 	<p>On March 30, the Government announced the following social measures to support individuals and domestic homes:</p> <ul style="list-style-type: none"> – Postponement of deadlines for payment of electricity and water bills from April to July 2020 and from May to August 2020; – Suspension of payment of electricity and water bills for April and May 2020 for underprivileged classes; – The establishment of a solidarity fund amounting to CFAF 170 billion to fund the most vulnerable populations within the framework of emergency humanitarian support; – Strengthening the control of consumer goods and the application of sanctions to offenders; <p>Main sources of information:</p> <ul style="list-style-type: none"> – Government of Ivory Coast: http://www.gouv.ci/Main2.php



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As of 03 April 2020

General Information

Kenya has predominantly focused on economic stimulus measures thus far, cutting the MPC policy rate and reducing cash reserve ratios. There are also industry specific packages (such as the \$5 million available to the tourism industry), and bank fees for money transfers between bank accounts and mobile wallets have been waived.

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<p>Fiscal policy</p> <ul style="list-style-type: none"> – Several tax measures have been decided by the Kenyan government in order to cushion the affected individuals and businesses from the negative impact of the COVID-19 outbreak: <ul style="list-style-type: none"> • 100% tax relief for low income earners (namely, persons earning gross monthly income of up to KES 24,000 [USD226]); • Decrease of the top Pay-As-You-Earn (PAYE) rate from 30% to 25%; • Decrease of the value-added tax rate from 16% to 14%; • Decrease of the resident corporate income tax from 30% to 25%. At this stage, it has not been stated whether this measure is sustained for a number of years after the end of the current crisis in order to assist businesses that have lost their key markets and/or been forced to shut down operations (notably for the tourism industry). – Please note that most of these measures will come into force by April 2020. 	<ul style="list-style-type: none"> – Government workers have been asked to work from home where possible. 	<p>Monetary policy</p> <ul style="list-style-type: none"> – On 17 March, a central bank order for banks to waive bank fees for individuals who move money between their bank account and mobile wallet came into effect. It has also increased the upper limit for mobile money transfers by SMEs. Both are in a bid to limit contact with physical notes. On 18 March authorities reached a deal with commercial banks to restructure nonperforming loans caused by Covid-19 layoffs etc. – On 23 March, the MPC cut its policy rate from 8.25% to 7.25% and reduced the cash reserve ratio from 5.25 to 4.25. The central bank states that it "will ensure that the interbank market and liquidity management across the sector continue to function smoothly". – The Treasury has announced a \$5 million package to support the tourism industry. – Bank debt restructurings also apply to businesses facing financial instability due to Covid-19. This is not necessarily directly aimed at keeping businesses up and running, but it may contribute to assisting them. SMEs can now make larger mobile money transfers. 	<p>Main sources of information:</p> <ul style="list-style-type: none"> – Kenya: Tax and Regulatory Services: https://home.kpmg/ke/en/home/insights/2020/03/government_interventions_to_cushion_kenyans_against_covi19.html

General Information

Mauritius has focused on tax measures (such as removing penalties for those taxpayers unable to submit returns due to the lockdown) and employment-related measures, such as announcing a Wage Scheme Assistance. While they have taken many measures to limit travel in an effort to quarantine the coronavirus, customs are operational in two locations to enable the clearance of goods and outgoing passengers.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

Mauritius Revenue Authority (MRA) – No penalty and interest for late filing

- The MRA has issued a communique on 20 March 2020 stating that taxpayers who are unable to submit returns or effect payment of tax due to the lockdown will not be charged any penalty or interest for late submission or payment. No cut-off date has as of yet been communicated on this grace period.
- The head-office of the MRA is closed to the public. However, queries may still be emailed to the MRA as a team of MRA officers are working from home to maintain their services.
- Facilities for the electronic submission of tax returns and electronic payment of tax remain available on the MRA website.

Promoting work-from-home policy & tax credits for companies affected by the COVID-19

- With a view to promote working from home, the Government introduced a tax reduction scheme in 2020 which gives employers a double tax deduction in respect of emoluments payable to its staff who work from home and a 5% tax credit on the acquisition of information technology system. These measures are transitional and apply only for the period 1 July 2018 to 30 June 2020.
- Companies affected by the COVID-19 will also be eligible for certain tax deductions when acquiring plant and machinery during the period 1 March 2020 to 30 June 2020.

Employment-related measures

(e.g. state compensation schemes, training...)

Particular considerations for employees (under the Workers' Rights Act 2019)

- The employers who are “economic operators” can request their employees to leave their homes and come to work, subject to obtaining a COVID-19 Work Access Permit for their employees. For the remaining employers, employees can be requested to work from home;
- For the majority of employers who are unable to provide work to their employees, the employer shall still have to pay a full day's remuneration;
- An employer may fix the 11 paid annual leaves of an employee earning up to MUR 50,000 as basic monthly salary, if the employer and employee are unable to agree when the statutory 22 annual leaves are to be taken. However, if the employee does not want to exhaust those paid annual leaves, the parties may agree that unpaid leaves be taken but the express consent of the employee is required;
- For employees earning more than MUR 50,000 as basic monthly salary, there is no minimum annual leaves' entitlement, and it will therefore depend on the terms and conditions of the employment agreement;
- An employer may require an employee (irrespective of his salary threshold) to work for a shorter time than that specified in his agreement and at a reduced remuneration, subject to the approval of the supervising officer of the Ministry of Labor, Human Resource Development and Training.

Mauritius Revenue Authority – Wage Assistance Scheme

- The Government of Mauritius announced a Wage Scheme Assistance on 23 March 2020. Where companies in the private sector are adversely affected by COVID-19, an application can be made to the Mauritius Revenue Authority (“MRA”) for financial support.
- Under this scheme:
 - companies will be entitled to receive, in respect to its wage bill for the month of March 2020, an amount equivalent to 15 days basic wage bill for all of its employees drawing a monthly basic wage of up to MUR 50,000 subject to a cap of MUR 12,500 of assistance per employee;
 - companies will be able to provide financial support to employees in the travel and tourism sector, export-oriented enterprises, ICT/BPO sector, SMEs and other sectors of the economy, who become technically unemployed on a temporary basis due to the impact of the Coronavirus.

Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Mauritius Revenue Authority – Customs</p> <ul style="list-style-type: none"> – The core services of MRA Customs are operational in Mauritius and Rodrigues, with a skeleton staff, in order to enable the clearance of goods and outgoing passengers; – Facilities for the electronic submission of Customs Declarations, including electronic payment of duties and taxes, remain available on the Customs Management System. 	<p>Quarantine Regulations 2020 (the Quarantine Regulations)</p> <ul style="list-style-type: none"> – The Mauritius' minister immediately passed the Quarantine Regulations 2020 with effect on 19 March 2020, which restrict “the arrival of a conveyance” and “the prohibition of the boarding on, or dis-embarkment from, the conveyance of a person” to, among other things, prevent “the spread of quarantinable disease in Mauritius”. <p>Key measures taken (under the PHA 1975 and the Infectious Disease Regulations)</p> <ul style="list-style-type: none"> – The isolation and screening of (i) an infected person, (ii) a person reasonably believed of being infected, (iii) a person arriving on an aircraft or ship from a high-risk country or (iv) a person reasonably believed of having had contact with another infected person; – The imposition of restrictions and conditions on any person mentioned above; – The powers of the MPF to enforce compliance including the power to keep the person in detention; – The imposition of a curfew from 20 hours on 23 March to 20 hours on 2 April 2020; – Regarding restrictions on foreign travel, the Government Notice prescribes a 15-day ban on passenger travels from 10 a.m. on 19 March 2020. Thus, all foreign travel through the port and the airport of Mauritius is banned from 19 March to 2 April 2020; – National containment protocol provides that the population restrict their travels to the supermarket, corner shops (boutiques) or pharmacies; – Regarding public transport, a minimum service will be offered. Buses will be on roads from 7 a.m. to 7 p.m. at a reduced frequency and the Metro Express will operate from 6 am to 6 pm; – The imposition of price control on hand sanitizers, N95 respirators and PPF2 masks. <p>Particular considerations for employers</p> <ul style="list-style-type: none"> – The closure of trade premises and restrictions of activities – implicitly this means that all businesses remain closed except for “essential services” and “economic operators”. “Essential Services” include the Police Force, Medical Services, Fire Rescue Services and “economic operators” were listed on 20 March 2020 through a communiqué, titled “Communiqué for Economic Operator”, as follows: – Supply of food (including Bakeries, take away and home deliveries) – Food production, farming (fruits, vegetables & livestock), food processing and beverages – Supermarkets and associated supply chains (including online purchase and home delivery) – Freight Forwarding and other Logistic Activities – Licensed Telecom Operators – Petrol Stations and Cooking Gas distribution – Banks, Insurance and other Financial Services – Tourism and Press, Media and associated services – Airlines, Transport Industry including Taxis, Port and Airport related activities



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As of 03 April 2020

General Information

Morocco has reduced its key interest rate to 2% and released 1 billion dollars to fight against coronavirus. The Kingdom has also put in place a Business Intelligence Committee (Comité de Veille Economique or CVE) to look at Morocco's economical situation under the Coronavirus crisis and to take appropriate measures. The CVE includes Morocco's relevant Ministries, banking professionals' federation, private sector association, Chambers of commerce, industry and services federation and chambers of crafts federation. The CVE has already taken some measures related to tax, employment and economy stimulus.

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> – Suspension of tax charges as at 31 March and of payroll charges for all sectors, except those not suffering from the crisis. – Tax inspection and third-party notification (ATD) suspended until 30 June. 	<ul style="list-style-type: none"> – The CVE suspended the payment of social security charges. These measures should be operational from Monday 23 March. – To prevent a social crisis due to businesses closing and temporary lay-offs, employees affiliated with the CNSS (social security) will also: <ul style="list-style-type: none"> • Be granted a 2000 dirhams net (190€) monthly allowance disbursed from the Fund for Management of Coronavirus Effects • Benefit from a 3 months delay for the payment of bank commitments linked to consumer and mortgage loans • Continue benefiting from family allowances and compulsory health Insurance 	<ul style="list-style-type: none"> – The Council decided to reduce the key interest rate by 25 basis points to 2% and to continue to monitor all developments very closely. – Morocco released one billion dollars for the fight against coronavirus. – The CVE has taken a series of measures including: <ul style="list-style-type: none"> • Suspension of payment of social expenses • Implementation of a moratorium for companies' bank credit repayments, which should be operational from 23 March • Liquidity support to SMEs and micro-enterprises continuing to operate and facing difficulties during this period • Postponement by a quarter of declaration and payment of corporate taxes initially planned on 31 March for companies recording a revenue below 20 million dirhams (1.9 million euros) • Grant of additional lines of bank credits thanks to a warranty to be soon issued by the Caisse Centrale de Garantie • Deferment of leasing and credit payments until end of June 	<p>Main sources of information:</p> <ul style="list-style-type: none"> – Government of Morocco: https://www.cg.gov.ma/ar

New country

General Information

The total Stimulus and Relief Package amounts to N\$8.1 billion, comprising of N\$5.9 billion as direct support to businesses, households and cash flow acceleration payments for services rendered to Government and N\$2.3 billion of additional support, guaranteed by Government, but off-balance sheet Government liabilities to further support loan uptake on preferential terms by business and individuals.

Tax measures – Direct and Indirect

(e.g. payment deferrals, rate reductions...)

- Accelerated repayment of overdue and undisputed VAT refunds. Government will immediately speed up such repayments to enhance the cash flow of enterprises paying VAT. The total amount of the refunds to be settled within one week of the implementation of these measures stands about N\$3.0 billion.
- Accelerated payment of overdue and undisputed invoices for goods and services provided to Government. Government will immediately speed up such payments to boost the cash flow of enterprises that are suppliers to the Government. This amount stands at about N\$800.00 million.
- Tax-back loan scheme for tax registered and tax paying (PAYE) employees and self-employed individual persons who have lost income or part thereof or experiencing difficulties due to COVID-19 outbreak. To provide breathing room for cash flow-constrained individuals who are taxpayers, they can borrow an amount equal to 1/12th of their tax payment in the previous tax year, to be repaid after one year. The interest rate will be concessional, below prime, on the back of a Government guarantee. The total guarantee is capped at the maximum of N\$1.1 billion, based on the PAYE tax register and the potential loan size. The Government, in collaboration with the banking institutions may institute statutory and administrative measures to enhance compliance with loan conditions.

Employment-related measures

(e.g. state compensation schemes, training...)

- Wage subsidy for hardest hit sectors. To avoid further retrenchments in the hardest-hit sectors, Government will provide a wage subsidy to aid businesses in retaining jobs in the tourism, hospitality, travel and aviation and construction sectors. Details will vary across sectors. Government is setting aside about N\$400 million for this subsidy.
- Relaxation of labor regulations to protect jobs. To avoid major retrenchments and business closures, employers including Government and business owners will be allowed to negotiate a temporary 20% reduction of salaries and wages during the crisis period, and 50% for the worst-hit industries. The negotiations will be undertaken through a consultative process with employees and labor unions



New country

Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> – Non-agricultural small business loan scheme. Government will guarantee a N\$500.0 million, concessional rate, loan scheme for non-agricultural small businesses, with funds provided through the Development Bank of Namibia. The loans will be extended to businesses experiencing or expected to experience cash-flow pressure as a result of a loss in revenue due to COVID-19. – Agricultural business loan scheme. Government will further guarantee a N\$200.0 million loan scheme for framers and agricultural businesses by extending a guarantee for such loans to the Agricultural Bank of Namibia. The loans will be extended to cash flow-constrained farmers and small to medium-sized farming businesses that have experienced a significant loss of revenue. – Granting of the policy relief to borrowers by DBN and AgriBank in the form of a capital repayment moratorium where a holiday is allowed on the principal amount for a period ranging between six (6) months, but not exceeding two years (24 months) based on assessment, recapitalization of interest, lengthening of the repayment periods and waiving of penalty provisions. – Tax-back loan scheme for non-mining corporates. To provide breathing room for tax-paying cash flow-constrained businesses in the non-mining sectors, such businesses can borrow an amount equal to 1/12th of their tax payment in the previous tax year, to be repaid after one year. The interest rate will be concessional, below prime, on the back of the Government guarantee, capped at N\$470.00 million. Applications will be made via the commercial banks 	<p>Main sources of information:</p> <ul style="list-style-type: none"> – Namibia – Ministry of Finance : https://mof.gov.na/



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As of 03 April 2020

General Information

The Central Bank of Nigeria has set out a number of measures to tackle the impact of the coronavirus, including establishing a fund to support the country's economy (of 50 billion naira; i.e. EUR 121 million), targeted at households and micro and small enterprises. The interest rate has also been cut, a moratorium has been announced on principal repayments for CBN intervention facilities and tax measures are being taken.

Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i>	Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<p>Fiscal policy</p> <ul style="list-style-type: none"> On March 23, the Federal Inland Revenue Service announced the following tax relief measures to address the impact of the coronavirus (COVID-19) pandemic on taxpayers: <ul style="list-style-type: none"> Extension of the due date for filing of value added tax (VAT) and withholding tax returns from the 21st day of the month to the last business day of the month, following the month of deduction Extension of the due date for filing of the companies income tax return by one month Use of electronic platforms for paying taxes and processing tax clearance certificates Electronic filing of tax returns by taxpayers 	<p>Monetary Policy</p> <ul style="list-style-type: none"> On 16 March, the Central Bank of Nigeria announced six new measures: <ul style="list-style-type: none"> The creation of a NGN 50 billion (USD 140 million) targeted credit facility for households and SMEs that have been hard-hit by the virus. 	<ul style="list-style-type: none"> Provision of credit assistance for the health industry to meet the potential increase in demand for health services and products "by facilitating borrowing conditions for pharmaceutical companies, hospitals and practitioners". <p>Monetary Policy</p> <ul style="list-style-type: none"> On 16 March, the Central Bank of Nigeria announced six new measures: <ul style="list-style-type: none"> A 1 year extension of a moratorium on principal repayments for CBN intervention facilities; The reduction of the interest rate on intervention loans from 9 percent to 5 percent; Credit support for the healthcare industry; Urging Deposit Money Banks to consider temporary and time limited restructuring of the tenor and loan terms for affected businesses and households; Strengthening of the Loan to Deposit ratio policy (i.e. stepped up enforcement of directive to extend more credit to the private sector) <p>Fiscal Policy</p> <ul style="list-style-type: none"> The crude oil benchmark price was also reduced from USD 57 to USD 30. The Central Bank pledged to pump NGN 1.1 trillion (USD 3 billion) into critical sectors of the economy. 	<p>Fiscal Policy</p> <ul style="list-style-type: none"> The Federal Government cut planned spending in the 2020 budget by about NGN 1.5 trillion (USD 4 billion), including a 20 percent cut to capital expenditure and a 25 percent cut to recurrent expenditure. <p>Main sources of information:</p> <ul style="list-style-type: none"> Nigeria: Tax relief, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-nigeria-tax-relief-responding-to-coronavirus.html

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As of 03 April 2020

New country

Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> – Lockdown measures are applicable from 31st march 2020. – There is no official recommendations from the government but many companies incite their employees to work from home. – However, some activities such are bank continue to work in keeping with health measures implemented by the government. – Important : In a notice dated 31st March 2020, the Director of the Social Administration, Pointe-Noire (f.n CNSS) specifies that their office are still open from Monday to Friday. – Thus, we conclude that companies should still comply with their social obligations despite lockdown measures currently applicable. 	<ul style="list-style-type: none"> – Creation of a fund (XAF 100 Billions) in order to help companies and vulnerable population. – No further details communicated as of 31st March 2020 	<p>Main sources of information</p> <ul style="list-style-type: none"> – Statement of the Congolese President on COVID-19 dated 28 March 2020 – Notice no 0045/20/DDK/PN of the Director of Social Administration, Pointe-Noire (f.n CNSS) dated 31st March 2020



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As of 03 April 2020

General Information

In addition to a fund initially created with an envelope of 1.4 billion FCFA ('2.1 million), Senegal has taken 3 new measures to mitigate the effects of the coronavirus on its economy. These are the establishment of a Response and Solidarity Fund against the effects of COVID- 19 called "FORCE-COVID-19". Then the creation of a COVID-19 growth and economic watch committee. And finally, the development of a contingency plan following the evolution of the pandemic for an amount of 64 billion FCFA (97.6 million euros).

Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

- Creation of a fund with an envelope of 1.4 billion FCFA ('2.1 million),
- Development of a contingency plan following the evolution of the pandemic for an amount of 64 billion FCFA (97.6 million euros).
- Referring to the private sector, Amadou Hott, Minister of the Economy, suggested that banks will provide facilities to the most affected companies and operators

Other measures and sources

- Establishment of a Response and Solidarity Fund against the effects of COVID- 19 called "FORCE-COVID-19".
- Creation of a COVID-19 growth and economic watch committee.
- President Macky Sall announced the creation of a "national crisis cell and a fund for response and solidarity against the effects of Covid-19". He asked his ministers to "each contribute one million CFA francs" (1,500 euros).

Main sources of information:

- Government of Senegal: Covid-19 official Portal: <https://covid19.sec.gouv.sn/>

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As of 03 April 2020

General Information

On Monday 23 March 2020, the President of South Africa announced unprecedented measures to assist South Africa in its fight against COVID-19. Included within these is a nationwide lockdown effective for 21 days from midnight on Thursday 26th March 2020. The lockdown will be lifted at midnight on Thursday 16th April 2020.

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)
VAT:

- Deposits: Whether an amount received is indeed a deposit and, if so, the VAT treatment when such deposit is forfeited or applied as consideration for the supply of goods or services
- Vouchers issued or credits granted for cancellations: Whether the voucher is taxable or not, the implications when tendered or forfeited and different forms of credits received for future use
- Cancellation fees: The rate of VAT to be applied to these charges to customers together with documentary requirements, where relevant, i.e. a local standard rated flight for a non-resident will potentially have a zero rated cancellation fee
- Unpaid creditors: The implications of creditors unpaid for a period of more than 12 months (subject to the exceptions, e.g. certain inter-group transactions)
- Bad debts: The requirements for the relief available for bad debts written off, considering the exceptions to
- certain inter-group transactions and the potential VAT liability on bad debts subsequently recovered
- Dealings with SARS: The potential impact which new measures introduced by SARS will have on VAT registrations, disputes, account queries, ruling applications, delayed refunds, verifications etc.
- VAT refunds: In the unlikely event of the closure of SARS branches or a significant reduction in staff members, the potential impact on cash flow due to delayed payment of VAT refunds
- VAT due which cannot be paid timeously: Arranging extended payment terms with SARS due to cash flow restrictions.

South Africa: Carbon tax registrations 23 March

- The carbon tax is administered as an environmental levy on carbon emissions, which requires that every person operating emissions-generation facilities at a combined capacity equal to or above the legislated carbon tax threshold, must register with the South African Revenue Service and obtain a consolidated license for the combination of emissions facilities that generate emissions subject to the carbon tax. The emission facilities will be licensed as a “customs and excise manufacturing warehouse”.

COVID-19 – The Benefits of Tax Compliance in Unprecedented Times

- The implementation of this safeguard will have an impact on the economy and on people's livelihoods. The President mentioned several mechanisms that he feels could assist in dampening the negative economic impacts the safeguard could have, including the setup of a SOLIDARITY Response Fund which may afford organizations and individuals tax deductible donations in assisting with the fight against the COVID- 19 epidemic. The President also mentioned certain tax related mechanisms which may assist businesses.

Overview of measures proposed

- Tax compliant businesses with a turnover of less than ZAR 50 million will be allowed to delay 20% of their Pay-As-You-Earn (PAYE) liabilities over the next four months and to delay a portion of their provisional corporate income tax payments without penalties or interest over the next six months.
- The South African tax system will provide a tax subsidy of up to ZAR 500 per month for the next four months for those private sector employees earning below ZAR 6 500 under the Employment Tax Incentive (ETI). The South African Revenue Service (SARS) will also work towards accelerating the payment of ETI reimbursements from twice a year to monthly, to get cash into the hands of compliant employers as soon as possible.
- The South African government is exploring the temporary reduction of employer and employee contributions to the Unemployment Insurance Fund (UIF) and employer contributions to the Skill Development Levy Fund (SDL contributions) and to the Commissioner for Compensation for Occupational Injuries and Disease Fund (COIDA contributions).

Tax measures – Direct and Indirect (continued)

(e.g. payment deferrals, rate reductions...)

Corporate Tax Proposals – 29 March 2020

National Treasury proposes to assist compliant small to medium size businesses to better manage their cash flows by reducing the amount of provisional tax that they are required to pay during the period 1 April 2020 and ending on 31 March 2021 without incurring any penalties and or interest as a result of the reduced payment. The mechanism of the reduced provisional tax payment would work as follows:

- First provisional tax payment due between 1 April 2020 and 30 September 2020 for qualifying companies will only
- be based on 15% of estimated total tax liability;
- Second provisional tax payment due between 1 April 2020 to 31 March 2021 will be based on 65% of estimated total tax liability;
- The balance (being 35%) would need to be paid in full when making the third provisional tax payment i.e. the top up payment made within 6 months after year end in order to avoid the interest charges.
- A company that would qualify for the above reduced provisional tax payment mechanism would need to be a company that does not have an annual turnover exceeding ZAR 50 million. In addition, the company would need to be tax compliant with regard to its tax return submission and tax debts due to SARS.

Employment-related measures

(e.g. state compensation schemes, training...)

- The details of the actual temporary Employer Relief measures are not known at this time. Any changes to the legislation require swift changes to the SARS electronic platforms and payroll software used by employers to run their payrolls.
- The President proposed relief measures in relation to employment taxes. Employment taxes include:
 - PAYE
 - UIF
 - SDL obligations
 - Remittances by employers to the COIDA Fund.
- Every resident employer must withhold employees' tax on remuneration paid to employees by no later than the 7th day of the month following the month in which such tax amount was withheld. Where the 7th of the month falls on a public holiday, Saturday or Sunday, the payment must be received by the SARS by the preceding business day. The same payment date applies for the remittances of the UIF and SDL obligations to SARS. The payments to SARS must be accompanied by a monthly form (EMP 201). The payment of COIDA is an annual employer liability payable to the Compensation Commissioner.
- Currently, when PAYE, UIF and SDL payments are not received timeously by SARS, a 10% penalty in relation to the late payment and interest at prevailing rates apply. The Speech Proposals provide that employers with a turnover of ZAR50 million or less, may delay 20% of the PAYE obligations over the next four months without incurring penalties and interest.

What is currently reported on the EMP201 and what changes are recommended?

- Currently the EMP201 form only requires the following information to be provided by the employer:
 - PAYE payable
 - SDL payable
 - UIF payable
 - ETI¹ brought forward
 - ETI calculated
 - ETI utilized
 - ETI carried forward
 - Penalty and Interest (if paid late)

UIF and SDL temporary relief measures

- UIF is required to be withheld by employers in relation to a monthly remuneration value capped to ZAR 14 872.
- 1% of the UIF contribution is withheld from the employee's compensation and the employer makes a matching 1% contribution. It is speculated that UIF obligations will be set aside for at least four months.

The Employment Tax Incentive (ETI)

- The ETI is an incentive aimed at reducing youth unemployment by encouraging employers to hire young work seekers.
- Employers are incentivized to employ young persons (between 18-29 years of age) in terms of a cost-sharing arrangement with the government, by allowing the employer to reduce the amount of PAYE it is required to pay to SARS by the amount of the ETI. This provides an immediate cash benefit to the employer.

What are the proposals?

- The President stated that this proposal is intended to assist businesses which may be in distress, by using the tax system to provide a tax subsidy of "up to ZAR 500 per month" for the next four months for those private sector employees earning below ZAR 6 500 under the ETI regime.
- It is not clear whether the employer will be entitled to claim an additional ZAR 500 of the ETI, per qualifying employee per month. Presently the value of the ETI which an employer may claim in relation to a "qualifying employee" varies depending on the quantum of the compensation paid by the employer to that employee. It may be that the additional ZAR 500 saving will apply for all employees earning less than ZAR 6 500 per month.
- An employer is not eligible to claim the ETI if the employer is not compliant in respect of its tax obligations i.e. if the employer has any outstanding tax returns or an outstanding tax debt.
- Currently, qualifying employees who earn ZAR 6 500 per month or less do not pay personal income tax since their income is below the personal income tax threshold (2021 tax year threshold is ZAR 83 100).
- In addition to the above, SARS will also work towards accelerating the payment of ETI reimbursements from twice a year to monthly to increase the availability of cash for compliant employers as soon as possible.

Employment-related measures

(e.g. state compensation schemes, training...)

What are the proposals? (continued)

- Currently, if the ETI amounts claimed on the EMP201s exceeds the employees' tax payable at the end of every six-month employer reconciliation period, the employer can claim a cash refund from SARS. However, if the taxpayer is not tax compliant across all taxes, the employer may not set off the ETI against the employees' tax liability nor can the employer claim the refund.
- In practice, ETI refunds take a long time and refunds will not be paid by SARS until SARS has completed an audit of the ETI claims.
- Given the current timing delay in relation to the payment of ETI refunds, SARS may need to remove ETI system blocks and delay ETI audits to improve chances that refunds will be paid out on time.

The National Treasury in South Africa on 29 March 2020 issued “explanatory notes” on certain tax legislative measures in response to the coronavirus (COVID-19) pandemic.

- Employers are incentivized to employ young persons (between 18-29 years of age) in terms of a cost sharing arrangement with government, by allowing the employer to reduce the amount of PAYE it is required to pay to SARS by the amount of the ETI.
- ETI applies where the “qualifying employees” earns less than ZAR 6 500 per month. This provides an immediate cash benefit to the employer.
- ETI may only be claimed for a period of 24 months per qualifying employee.
- In terms of current legislation, from 1 March 2019, the monthly calculated ETI amount the employer may claim per qualifying employee, in the first 12 months of employment is determined as follows:

Monthly remuneration	First 12 months
ZAR 0 – ZAR 1 999	50% of Monthly Remuneration
ZAR 2 000 – ZAR 4 499	ZAR 1 000 per employee
ZAR 4 500 – ZAR 6 499	ZAR 1 000 – (0.5 x (Monthly Remuneration – ZAR 4 500))
ZAR 6 500 and more	Nil

- Moreover, the monthly calculated ETI amount the employer may claim per qualifying employee, in the second 12 months of employment is determined as follows:

Monthly remuneration	Second 12 months
ZAR 0 – ZAR 1 999	25% of Monthly Remuneration
ZAR 2 000 – ZAR 4 499	ZAR 500 per employee
ZAR 4 500 – ZAR 6 499	ZAR 500 – (0.25 x (Monthly Remuneration – ZAR 4 500))
ZAR 6 500 and more	Nil

Employees' tax

- Employers may defer 20% of their employees' tax liability, limited to the four month period 1 April 2020 – 31 July 2020 without SARS imposing penalties and interest for the late payment of Pay-As-You-Earn (“PAYE”). In other words, the first reduction will apply to the employees' tax payment due to SARS by 7 May 2020 (in relation to April 2020).
- The deferred PAYE must be paid to SARS in equal instalments over six months from 1 August 2020. i.e. commencing with the PAYE payment due to SARS by 7 September 2020.
- This proposal is applicable to any compliant resident (or resident representative) employer who has an annual turnover not exceeding ZAR 50 million. Please note interest and penalties will apply if the employer has understated the PAYE liability for any of the four months.
- The proposed amendments are deemed to have come into operation on 1 April 2020 and end on 31 January 2021.

Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> – On 18 March, the government announced works on a package to support SMEs. The Debt Relief Fund aims to provide relief on existing debts and repayments, to assist SMEs during the Covid-19 outbreak. For SMEs to be eligible for assistance under the Debt Relief Fund, the applicant must demonstrate a direct link between the impact or potential impact of Covid-19 on the business operations. The Ministry has set up a centralised registration system (www.smmesa.gov.za) where all those in need of financial aid will register and be screened. – The Business Growth or Resilience Facility seeks to enable continued participation by SMEs in supply value-chains, in particular those who manufacture (locally) or supply various products that are in demand due to current shortages arising from Covid-19. This facility will offer working capital, stock, bridging finance, order finance and equipment finance and the amount required will be based on the funding needs of the business. – On 19 March, the Reserve Bank cut the repo rate by 100 basis points from 6.25% to 5.25%. 	<p>Main sources of information:</p> <ul style="list-style-type: none"> – South Africa: Carbon tax registrations and possible effect of coronavirus (COVID-19) https://home.kpmg/us/en/home/insights/2020/03/tmf-south-africa-carbon-tax-registrations-possible-effect-coronavirus.html – South Africa: VAT considerations in light of coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tmf-south-africa-vat-considerations-in-light-of-coronavirus.html – South Africa: Tax relief measures in response to “lockdown” (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tmf-south-africa-tax-relief-measures-in-response-to-lockdown-covid-19.html – South Africa: Tax incentives for employers proposed in legislation (COVID-19) : https://home.kpmg/us/en/home/insights/2020/03/tmf-south-africa-tax-incentives-for-employers-proposed-in-legislation-covid-19.html

General Information

The Government has announced a set of financial and fiscal measures to address the impact of closures and to reduce their impact on the economy. The total amount announced is \$2,500 million. The stated objective of these measures is to avoid bankruptcies or permanent cessation of business activities, to maintain employment and to financially support the most profitable businesses.

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)

- All companies, whatever their size and sector of activity, have systematically benefited from the following measures:
 - The extension of SI declarations until the end of May 2020, with the exception of companies subject to the SI rate of 35%.
 - The suspension of all control operations and all deadlines related to tax audit procedures and deadlines for objections until the end of May 2020.
 - The reduction of the time limits for the removal of the tax credit is to be achieved by increasing the frequency of meetings of the Commission (for the consideration of requests for removal) from a fortnightly to weekly basis. Payment shall be made within a period of no more than one month.
 - The revaluation of built and unbuilt property on the basis of its actual value and the exemption from capital gains tax on the revaluation of property held for sale.
 - The cancellation of penalties for companies with public procurement contracts for a maximum period of 6 months.

Tax measures for the most affected companies

- The phrase "undertakings affected by the impact of the virus" will be defined by government decree after consultation with representatives of the Government's 'President's Office'.
- The most successful companies are allowed to take advantage of the following opportunities:
 - The staggering of their tax and customs debts for a maximum period of 7 years.
 - The suspension of penalties and delays in the payment of tax for a period of three months from April 1 to June 30, 2020.
 - The deferral of payment of NSSO contributions (for the second and third quarters) lasts for three months (excluding the first quarter due on 15 or 25 April).
 - Simplification of the procedures for refunding the VAT credit from the farm by removing the condition of continuity for a period of 6 months. Payment will be made within a maximum of one month.
 - With the exception of the certificate of purchase and the certificate of suspension of tax and other tax certificates, which may be obtained at any time without the presentation of the necessary documents, provided that they are submitted at a later date.

The tax measures for companies are entirely export-oriented

- As an exception and only once in the 2020 financial year, companies that are all exporters can benefit from the authorization to sell their goods on the local market within the following new limits:
 - For companies that are entirely exporters operating in the agri-food and health sectors: the percentage of 30% is increased to 100%.
 - For the other companies, which are all exporters, the percentage of sales on the local market increased from 30% to 50%.

Employment-related measures <i>(e.g. state compensation schemes, training...)</i>	Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i>	Other measures and sources
<ul style="list-style-type: none"> - There is a 300 million envelope for the benefit of technically unemployed workers, the first of which, according to the Finance Department's proposal, would be of interest to SMEs, with a view to strengthening the SME support fund, in addition to the implementation of the previous decision to provide a bonus of 3 points of interest. - There is also a 150 million envelope for the benefit of poor and special-needs families that supports family programs that require direct assistance to individuals directly affected under the supervision of the Ministry of Social Affairs. 	<ul style="list-style-type: none"> - There is a 500 MD envelope to increase the stock of basic products for the public sector drug, food and oil companies, and a 500 MD guarantee line to allow private companies that are unable to obtain bank credit to maintain their business (credits granted up to the end of December 2020, over a period of 7 years with 2 years of grace). The tourism sector (hotels, travel agencies, restaurants, craftsmen, transport, culture) is particularly targeted by this MF measure. - Three new investment funds, funded by the CDC under the MF, (700MD): <ul style="list-style-type: none"> • The first of 500 MD (of which 100 MD will be released as a first tranche) for large companies, including strategic companies, to strengthen their capital and maintain employment; • The second of the 100 MD is a bridging fund for the takeover of existing investment funds in companies facing difficulties in strategic sectors, so that these funds can be used to finance other projects; • The third part of a 100 MD fund to finance the acquisition of equipment for hospitals and public health institutions. - This contribution from the CDC will be dependent on the financing of the Treasury, which is the main source of funds from the CSF and would oblige the State to have recourse to the financial system. <p>Exemptions and financial support</p> <ul style="list-style-type: none"> - This measure relates to limited amounts because the source credit of the population represents a small portion of the total credit to individuals, which is 24 billion dinars. This does not pose any problems for the banks, as other individuals continue to pay back the loans. - Deferral of bank credit repayments over 6 months for companies affected by the crisis. This measure, however, can be applied to higher amounts if it covers more than one sector. <ul style="list-style-type: none"> • For example, the central risk center has identified 67 billion Dinars in credit to companies, of which 39 billion Dinars is short term, and the carry-over must be limited to the most affected companies so as not to choke the banking system. The average liquidity requirement of the banks has fallen from 16 billion Dinars at the beginning of 2019 to 11 billion Dinars at present, and this fall over 12 months has helped to reduce inflation (from 7.3% to 5.8% in one year). - A resumption of financing may allow banks to extend the maturities of affected customers, but this would be limited to 5 billion Dinars over one year, with the aim of not exceeding the level at the end of 2018. This represents 13% of all short-term loans to companies, so the balance of the loans must be targeted at the companies most affected by the crisis. 	<p>Main sources of information:</p> <ul style="list-style-type: none"> - Government of Tunisia: http://fr.tunisie.gov.tn/

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As of 03 April 2020

General measures

- The objective of the ECB through this program is to provide relief to banks in order to boost loans to businesses and households, as well as to support production and employment.
 - This action is similar to that taken by the Fed in the U.S., which includes the purchase of \$500 billion in T-bills and \$200 billion in mortgage-backed securities to support the smooth functioning of these marketplaces.
 - The ECB's Governing Council announced on Wednesday March 18 a new Pandemic Emergency Purchase Program with an envelope of €750 billion until the end of the year, in addition to the €120 billion decided on March 12. Together this amounts to 7.3% of euro area GDP. The program is temporary and designed to address the unprecedented situation the monetary union is facing. It is available to all jurisdictions and will remain in place until ECB assesses that the coronavirus crisis phase is over.
 - The new instrument has three main advantages. First, it fits the type of shock we are facing: exogenous, detached from economic fundamentals and affecting all countries in the Euro Area. Second, it allows to intervene in the entire yield curve, preventing financial fragmentation and distortions in credit pricing. Third, it is tailored to manage the staggered progression of the virus and the uncertainty about when and where the fallout will be worst.
 - This is reflected in the terms and conditions of the new program. While the benchmark allocation across jurisdictions will continue to be the capital key of the national central banks, purchases will be conducted in a flexible manner. This allows for fluctuations in the distribution of purchase flows over time, across asset classes and among jurisdictions.
 - Moreover, to the extent that some self-imposed limits might hamper action that the ECB is required to take in order to fulfil its mandate, the Governing Council will consider revising them to the extent necessary to make its action proportionate to the risks faced.
 - Will make up to €800 million available for European countries in 2020
- ECB is fully prepared to increase the size of the asset purchase programs and adjust their composition, by as much as necessary and for as long as needed. ECB will explore all options and all contingencies to support the economy through this shock.
 - ECB also decided to purchase commercial papers of sufficient credit quality and to expand the eligible collateral in its refinancing operations. The aim is to reinforce the actions that ECB took last week to protect the flow of credit to companies and people.
 - ECB is making available up to €3 trillion in liquidity through its refinancing operations, including at the lowest interest rate ever offered, -0.75%. Offering funds below ECB deposit facility rate allows to amplify the stimulus from negative rates and channel it directly to those who can benefit most. European banking supervisors have also freed up an estimated €120 billion of extra bank capital, which can support considerable lending capacity by euro area banks.

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General measures

On March 19, 2020, following consultation with EU Member States, the European Commission adopted a Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak. The Framework sets out temporary State aid measures that the European Commission considers compatible with the EU internal market and that can be approved rapidly upon notification by each Member State. The Framework provides for five types of aid:

- Direct grants, selective tax advantages and advance payments, up to EUR 800,000 to a company to address its urgent liquidity needs.
- State guarantees for loans taken by companies from banks, to ensure banks continue to provide loans to the customers who need them.
- Subsidized public loans to companies, i.e. loans with favorable interest rates to help businesses cover immediate working capital and investment needs.
- Safeguards for banks that channel State aid to the real economy, in particular support for small and medium-sized companies. It is noted that such aid is considered as direct aid to the banks' customers, not to the banks themselves.
- Short-term export credit insurance.

As at March 27, 2020, the European Commission had approved State Aid Measures adopted under the Temporary Framework in Denmark, France, Germany, Italy, Latvia, Luxembourg, Portugal, Spain and the UK

Corona Response Investment Initiative

- Initiative has an overall envelope of € 37 billion (under EU Cohesion Policy)
- Directed at health care systems, SMEs, labor markets and other vulnerable parts of economy

€ 1 billion Guarantee to the EIF

- Guarantee is taken from existing EU Budget in order to incentivize banks to provide liquidity to SMEs and midcaps
- expected to help 100,000 European SMEs and small mid-caps with about € 8 billion of financing

Offer of support for Vaccine Research

- € 80 million of financial support to CureVac, a German vaccine developer
- The support would come in form of an EU guarantee of a currently assessed EIB loan of an identical amount, in the framework of the InnovFin Infectious Disease Finance Facility under Horizon 2020

Extending the scope of the EU Solidarity Fund

- EU Solidarity Fund will also include a public health crisis
- Will make up to €800 million available for European countries in 2020

Enhanced Flexibility of State Aid Rules (Art 107 TFEU)

For the duration of the Covid19 crisis the following State Aid measures are considered compatible with EU law (with few exceptions for agricultural and fishery undertakings); applicable as of 19 March

- Grants, Repayable Advances, Tax Advantages (see Communication Nr 21 ff)
- Guarantees, Loans (see Communication Nr 24 ff)
- Channeled Guarantees and Loans (see Communication Nr 28 ff)
- Subsidized Interest rates for Loans (see Communication Nr 26 ff)
- Short Term Export Credit Insurance (see Communication Nr 32 ff)

Enhanced Fiscal Flexibility (General Escape Clause)

- General Escape Clause was introduced in 2011 following the financial and sovereign debt crisis, now activated for the first time “as long as necessary”
- Clause allows for a coordinated and orderly temporary deviation from the ‘normal’ fiscal rules for Member States

2020 Budget Amendment to reflect new (Covid-19) Priorities

- 2020 Budget Amendment inter alia includes
- €75 million to help Member States repatriate EU nationals
- Increase budget of the RescEU medical stockpile to €80 million
- Add €350 million of migration management assistance to Greece (€350 m already deployed)
- €3.6 million for the European Centre for Disease Prevention and Control
- €3.3 million additional funding for the EPPO

New

General measures

- Saving lives and supporting livelihoods in these times of acute crisis is paramount. The Commission is further increasing its response by proposing to set up a €100 billion solidarity instrument to help workers keep their incomes and help businesses stay afloat, called SURE. It is also proposing to redirect all available structural funds to the response to the coronavirus.
- Farmers and fishermen will also receive support, as will the most deprived. All of these measures are based on the current EU budget and will squeeze out every available euro. They show the need for a strong and flexible long-term EU budget. The Commission will work to ensure that the EU can count on such a strong budget to get back on its feet and progress on the path to recovery.
- The coronavirus outbreak is testing Europe in ways that would have been unthinkable only a few weeks ago. The depth and the breadth of this crisis requires a response unprecedented in scale, speed and solidarity.
- In the past weeks, the Commission has acted to provide Member States with all the flexibility they need to support financially their health care systems, their businesses and workers. It has acted to coordinate, speed up and reinforce the procurement efforts of medical equipment and has directed research funding to the development of a vaccine. It has worked tirelessly to ensure that goods and cross-border workers can continue to move across the EU, to keep hospitals functioning, factories running and shop shelves stocked. It has and continues to support the repatriation of EU citizens, their families and long-term residents to Europe from across the world.
- In doing this, the Commission is acting on its conviction that the only effective solution to the crisis in Europe is one based on cooperation, flexibility and, above all, solidarity.

€100 billion to keep people in jobs and businesses running: the SURE initiative

- A new instrument that will provide up to €100 billion in loans to countries that need it to ensure that workers receive an income and businesses keep their staff. This allows people to continue to pay their rent, bills and food shopping and helps provide much needed stability to the economy.
- The loans will be based on guarantees provided by Member States and will be directed to where they are most urgently needed. All Member States will be able to make use of this but it will be of particular importance to the hardest-hit.
- SURE will support short-time work schemes and similar measures to help Member States protect jobs, employees and self-employed against the risk of dismissal and loss of income. Firms will be able to temporarily reduce the hours of employees or suspend work altogether, with income support provided by the State for the hours not worked. The self-employed will receive income replacement for the current emergency.

Delivering for the most deprived – the Fund for European Aid to the Most Deprived

- As most of Europe practices social distancing to slow the spread of the virus, it is all the more important that those who rely on others for the most basic of needs are not cut off from help. The Fund for European Aid to the Most Deprived will evolve to meet the challenge: in particular, the use of electronic vouchers to reduce the risk of contamination will be introduced, as well as the possibility of buying protective equipment for those delivering the aid.

Supporting fishermen and farmers

- Europe's farming and fisheries have an essential role in providing us with the food we eat. They are hard hit by the crisis, in turn hitting our food supply chains and the local economies that the sector sustains.
- As with the structural funds, the use of the European Maritime and Fisheries Fund will be made more flexible. Member States will be able to provide support:
 - to fishermen for the temporary cessation of fishing activities;
 - to aquaculture farmers for the temporary suspension or reduction of production and provide support;
 - and to producer organizations for the temporary storage of fishery and aquaculture products.
- The Commission will also shortly propose a range of measures to ensure that farmers and other beneficiaries can get the support they need from the Common Agricultural Policy, for example by granting more time to introduce applications for support and more time to allow administrations to process them, increasing advances for direct payments and rural development payments, and offering additional flexibility for on-the-spot checks to minimize the need for physical contact and reduce administrative burden.

New

As of 03 April 2020

General measures

Redirecting all Cohesion Policy funds to fight the emergency

- All uncommitted money from the three Cohesion Policy funds – the European Regional Development Fund, the European Social Fund and the Cohesion Fund - will be mobilised to address the effects of the public health crisis.
- To make sure that funds can be re-directed to where they are most urgently needed, transfers between funds as well as between categories of regions and between policy objectives will be made possible. Moreover, co-financing requirements will be abandoned, as Member States are already using all their means to fight the crisis. Administration will be simplified.

The Emergency Support Instrument

- The European Union has not faced a health crisis in its history on this scale or spreading at this speed. In response, the first priority is to save lives and to meet the needs of our health care systems and professionals who are working miracles every day right across our Union.
- The Commission is working hard to ensure the supply of protective gear and respiratory equipment. Despite the strong production efforts of industry, Member States still face severe shortages of protective gear and respiratory equipment in some areas. They also lack sufficient treatment facilities and would benefit from being able to move patients to areas with more resources and dispatch medical staff to hardest-hit places. Support will also be needed for mass testing, for medical research, deploying new treatments, and for producing, purchasing and distributing vaccines across the EU.
- The EU is today proposing to use all available remaining funds from this year's EU budget to help to respond to the needs of European health systems.
- €3 billion will be put into the Emergency Support Instrument, of which €300 million will be allocated to RescEU to support the common stockpile of equipment. The first priority would be managing the public health crisis and securing vital equipment and supplies, from ventilators to personal protective gear, from mobile medical teams to medical assistance for the most vulnerable, including those in refugee camps. The second area of focus would be on enabling the scaling up of testing efforts. The proposal would also enable the Commission to procure directly on behalf of the Member States.



General measures

- The IMF is ready to mobilize its lending capacity of USD 1,000 billion to assist its member countries.
- The IMF already has 40 outstanding arrangements with resource commitments of up to approximately USD 200 billion. About 20 other countries have also expressed interest.
- Another objective is to increase the Disaster Assistance and Response Trust Fund (ARC Trust Fund) to USD 1 billion (from USD 400 million today). This fund can help the poorest countries by providing immediate debt relief.



General measures

On March 20, 2020, the OECD published a range of tax policy and tax administration measures could be considered by governments. The OECD stressed that these potential measures are not recommendations but are intended to assist policymakers as they respond in their own national context. The measures include:

- Temporarily provide more generous welfare payments and income support;
- Waiving or deferring employer and self-employed social security contributions, as well as payroll related taxes;
- Providing tax concessions for workers in health and other emergency-related sectors;
- Deferring payments of VAT, customs or excise duties for imported items;
- Speeding up refunds of excess input VAT, accompanied by targeted measures to limit fraud risks;
- Simplifying procedures for claiming relief from VAT on bad debts;
- Adjusting the required advance payments on the basis of a revised expected tax liability;
- Deferring or waiving taxes that are levied on a tax base that does not vary with the immediate economic cycle;
- Increasing the generosity of loss carry-forward provisions;
- Preparing for recovery including through tax policy.

The above follows a separate publication by the OECD on March 16, 2020 of the ways that governments and tax administrations can ease burdens on taxpayers and support businesses and individuals with cash-flow problems or with difficulties in meeting tax reporting or payment obligations. This included:

- Extension of deadlines;
- Deferral of tax payments;
- Penalties and interest for late filing or payment could be suspended or possibly refunded depending on circumstances.
- Taxpayers could be given easier access to payment plans and extensions of plan duration. Consideration may also be given to having an interest free period.
- Suspending debt recovery and quicker refunds
- Consideration of not auditing taxpayers during the crisis (other than where fraud is involved).
- Consideration of adjustments to taxpayer services, including increased use of digital channels, dedicated hotlines and, where practicable, longer opening hours of telephone centers;
- Clear communication strategies, including dedicated webpages, multifaceted media communications, and consideration of how to identify and reach vulnerable taxpayers. OECD

On March 31, 2020, the OECD Forum on Tax Administration (FTA) published a global reference document setting out actions that FTA tax administrations are currently taking to support taxpayers, in the light of the worsening global impacts of COVID-19 on individual taxpayers, businesses and the wider economy. These include measures to address cash-flow concerns, difficulties in meeting reporting and payment deadlines and communication initiatives. Other actions taken by the FTA to help tax administrations join-up as effectively as possible are to:

- Bring together officials virtually from across the global FTA membership to discuss measures to support individual taxpayers and businesses and to ensure continuity of tax administration operations both domestically and internationally.
- Launch a new discussion forum to support real-time communication on COVID-19 responses on the Knowledge Sharing Platform, allowing all tax administrations globally, including developing country tax administrations and regional tax..."

General measures

- Accelerated funding envelope increased to \$14 billion to support corporate and national efforts to prevent, detect and respond to the rapid spread of Covid-19.
- Depending on the duration and severity of the epidemic, the World Bank may release a second funding envelope to focus more specifically on economic and social impacts.



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