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Government and institution measures in response to COVID-19

Update 24

Last update: 22 April 2020

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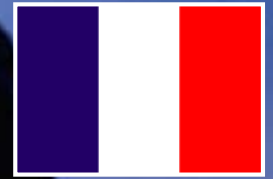
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Overview of government and institutional response to Covid-19 for foreign investors: Focus on **France**



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Selected updates of the day

As of 22 April 2020

Changes in selected geographies	<p>Norway: VAT reduced from 12% to 8% from 20 March 2020 to 31 October 2020.</p> <p>Russia: 13% income tax on interest accrued on deposits exceeding 1 million rubles (\$12,700), starting from 2021.</p> <p>United kingdom: On 3 April 2020, the Chancellor announced that a new scheme, Coronavirus Large Business Interruption Loan Scheme (CLBILS) is to be introduced. Similar to the SME CBILS scheme this involves a government guarantee of 80% to enable banks to make loans of up to £25 million (CBILS was capped at £5 million) to businesses with an annual turnover of between £45 million and £250 million. Firms with a turnover of more than £250 million can borrow up to £50 million from lenders.</p> <p>South Africa: That first provisional tax payments, due between 1 April 2020 and ending on 30 September 2020 will be reduced to 15% (normally 50%) of estimated total tax liability. No penalties and or interest will be levied by the South African Revenue Service (SARS) as a result of the reduced payment.</p> <p>Saudi Arabia: The Saudi Customs Authorities has announced the postponement of the payment of customs duties for the most affected activities from the businesses-importers for a period of 30 days. This relief is available during three months from 22 March to 30 June 2020.</p>
Updated information	<p>Europe: France, Norway, Russia, Slovenia, United Kingdom, Middle East: Saudi Arabia Africa: Nigeria, Republic of Congo, South Africa Asia Pacific: India, Indonesia, Myanmar, Taiwan, Thailand North America and Caribbean: Latin America: Colombia, Panama</p>



Europe - Countries from A to G

Albania	6	Denmark	30
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As of 22 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
Income taxes: <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. Other corporate direct and indirect taxes <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. Simplified tax for small businesses <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). Judicial proceedings <ul style="list-style-type: none"> On March 25, 2020, the Albanian Council of Ministers approved measures that provide special rules for judicial proceedings during the pandemic. Under these measures, hearings in administrative and civil proceedings are generally suspended, and the statute of limitations for filing claims, lawsuits, and appeals are similarly suspended. 	Measures taken for certain category of employees <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. Measures for the self-employed <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. 	Relieves for borrowings of entities and individuals <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. Relieve to banks and other non-banking financial institutions <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. 	Temporary suspension of judicial and prosecution proceedings <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. On March 25, 2020, the Albanian Council of Ministers approved measures that provide special rules for judicial proceedings during the pandemic. Under these measures, hearings in administrative and civil proceedings are generally suspended, and the statute of limitations for filing claims, lawsuits, and appeals are similarly suspended.

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- 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

Deferral of tax payment and instalments:

- 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.

Customs/Import and Other Miscellaneous Taxes:

- 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.

Filing/Payment Deadline Extension:

- Upon request and based on specific impact of the virus on the particular situation:
 - 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.

Suspension of Tax Audits:

- 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.

Employment-related measures*(e.g. state compensation schemes, training...)***Short-time work**

- 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.

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:

- 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 Wirtschaftsservice (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.bundestkanzleramt.gv.at/bundestkanzleramt/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



Customs Measures

Extension of deadlines:

- If deadlines are not met due to pandemic-related circumstances, the deadlines are still considered to have been met or applications may be submitted after the regular application deadline. Applications for exceeding or extending the deadlines must be justified accordingly. There are facilitations for the following cases:
- Exceeding the obligation to present the goods under the transit procedure (corresponding simple declaration by the carrier or the holder of the procedure (even retrospectively) with a brief explanation of how the delay occurred)
- Failure to apply for remission and refund (the right to apply for remission and refund does not lapse in the event of unforeseeable circumstances or force majeure). If certain customs formalities, such as the export of the goods within the deadline, are linked to the application, this deadline does not expire due to unforeseeable circumstances or force majeure.
- Special procedures (temporary storage, active and passive processing): periods for completion of the special procedures may be extended by a reasonable period on request.
- Returned goods: If the three-year period for free of duty re-importation of returned goods is exceeded due to a pandemic, this shall be considered a special circumstance and shall be reviewed"

Security deposits:

If the reference amount set by the customs offices with the companies has changed due to a pandemic, the holders of an authorization to provide a comprehensive guarantee may request that the reference amount be changed and adapted to the circumstances.

Administrative charges:

- Customs offices do not charge administrative fees for handling pandemic-related delays in the above-mentioned cases

Payment facilities - security deposit - interest on loans:

- Also in the area of customs, interest for deferral and late payment surcharges will be reduced to an amount of up to zero euros or not set at all if there is a specific case of concern. Payment facilities (e.g. payment by instalments) may be granted and payment deadlines may be suspended if the party involved is threatened with irreparable damage due to the pandemic. Interest on arrears for late payments until 31 May 2020 will generally be suspended due to the pandemic.
- The security deposit may be waived if this would lead to considerable economic or social difficulties due to the pandemic. In the event of a liquidity bottleneck due to the SARS-CoV-2 virus, the provision of security must be waived or no interest on loans will be charged.

Interruptions to deadlines:

- In the tax proceedings and in the financial criminal proceedings, the course of important deadlines is therefore interrupted in the area of legal protection. This includes the deadlines for appeals, objections, submissions and measures, which were still open on 16 March 2020 or which started between 16 March and 30 April. These deadlines are interrupted until 1 May 2020.
- The submission of accompanying documents in paper form is waived. Documentary checks are suspended to this extent, where it is not possible for the economic operator to access the documents (teleworking). Therefore, until further notice, all external audit activities, inspections and surveys of failure, suspension or interruption of any resources on the part of those concerned necessary. It is therefore not necessary to establish prima facie evidence, it must be assumed officially that no obligations to cooperate on the part of the companies can be fulfilled.

Exemption from import duties for disaster victims:

- In the case of goods of any kind which are made available free of charge to victims of disasters (e.g. protective masks, protective suits, respiratory equipment, etc.), the duty-free importation may also take place where the goods are acquired against payment.

Beneficiaries:

- State or competent authority recognized charitable organizations, local authorities, Caritas, Red Cross, SOS Children's Villages, whereby the goods must be made available to the victims free of charge



Customs Measures	Other measures and sources
<p>Customs audits</p> <ul style="list-style-type: none"> — The submission of accompanying documents in paper form is waived. Documentary checks are suspended to this extent, where it is not possible for the economic operator to access the documents (teleworking). — Therefore, until further notice, all external audit activities, inspections and surveys of failure, suspension or interruption of any resources on the part of those concerned necessary. It is therefore not necessary to establish prima facie evidence, it must be assumed officially that no obligations to cooperate on the part of the companies can be fulfilled. <p>Excise</p> <ul style="list-style-type: none"> — Amendment of Section 17(1) and (3) of the Alcohol Tax Act: <ul style="list-style-type: none"> - owners of user companies are allowed to carry out certain denaturing (e.g. for disinfectants) themselves on request without the presence of customs authorities. — Amendment of §§ 116l, m and n of the Alcohol Tax Act: <ul style="list-style-type: none"> - if a product used for the production of disinfectants for hand disinfection and surface disinfection, and which has been taxed at the standard rate, is taken into an establishment of use, a tax refund shall be granted for the period of increased demand. In addition, due to the urgency of the current demand, a simplified denaturing method will be determined by law, which can be carried out without a permit and without the presence of customs authorities (validity 1.3.2020 to 31.8.2020). - a free licence can be issued retroactively for production after 31.1.2020 and before 15.3.2020. 	<p>Main sources of information</p> <ul style="list-style-type: none"> — Austria chamber of commerce Notice of 24th of March 2020 — Austria Customs authorities' Notice of 27 march 2020:

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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 all monthly filers who want to benefit from the quick refund mechanism (i.e. starters, filers with a monthly refund license and all other filers) the deadline for filing the VAT return for the month of February is extended to 3 April 2020.
- For starters and businesses with a monthly VAT refund license that wish to receive the monthly repayment of their VAT credit of March 2020, an extension of the filing deadline of the VAT return is granted until 24 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.

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).



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

C. Other measures taken by the federal tax authorities

- Companies will benefit from an increased bonification for prepayments related to assessment year 2021 made during Q3 (6,75% instead of 6%) and Q4 (5,25% instead of 4,50%) provided there is no dividend distribution between 12 March and 31 December 2020 and no capital reduction or repurchase of shares. The percentage of the increase and the due dates do not change.
- 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

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

Measures taken by the social security authorities

- 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.

Measures for the self-employed

- 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
- If the self-employed are obliged to interrupt or stop their activity because of the crisis they can apply for a replacement income.

Characteristics of short-time work concept

- 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.

Implementation & Settlement Process

- 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.



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 or stay open, but suffer a loss of turnover of at least 60%, they can apply for a tax-free premium to compensate their loss of business — The Flemish Tax Authority has granted a general extension of the deadlines for inheritance and registration tax purposes. 	<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;



Customs Measures	Other measures and sources
<p>Duty relief</p> <ul style="list-style-type: none"> Under certain conditions, donations of personal protective equipment to the medical sector are eligible for import duty relief. <p>Customs clearance</p> <ul style="list-style-type: none"> Economic operators are allowed to temporarily submit paper-based certificates and licenses digitally. Economic operators can only obtain a E705 form online for the registration of motor vehicles purchased abroad via MyMinfin. Adaptation of the validation procedure for endorsing 136F documents for diplomatic and consular missions and international organizations in Belgium. <p>Customs authorisations</p> <ul style="list-style-type: none"> All authorizations holders (inward processing, customs warehousing, temporary storage facilities or approved/designated places) are allowed, under certain conditions, to apply by e-mail to the issuing competent customs authorities to extend their authorization with other storage facilities. The customs authorities shall, under certain conditions, grant a temporary approved exporter authorization (preferential origin) without any prior customs audit. <p>Export</p> <ul style="list-style-type: none"> In Belgium, the Federal Public Service (FPS) Economy is the competent authority to grant export authorizations. <p>Excise</p> <ul style="list-style-type: none"> The excise authorities allow pharmacists, not having the proper excise authorization, to manufacture disinfectants provided that they keep records. The excise authorities allow all authorized warehouse keepers to produce denatured ethyl alcohol, although only to the extent that it is used to ensure the production of biocidal products or disinfectants intended for the medical sector. The excise authorities provide guidance to manufacturers (excise warehouse keepers or pharmacies) of various types of sanitizers to benefit from an excise duty exemption. The excise authorities have extended the payment terms for both holders and non-holders of a credit account as regards excise duties and waste packaging tax on alcohol, alcoholic and non-alcoholic beverages and VAT. (Effective until 30 June 2020) 	<p>Main sources of information</p> <ul style="list-style-type: none"> Website Belgian customs and excise authorities 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

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As of 22 April 2020

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)
Other measures and sources
Deferral of corporate income tax liabilities in Republika Srpska

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:

- 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.

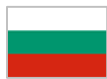
In accordance with the decision, the above mentioned liabilities which are due by 31 March 2020 are temporarily postponed until 30 June 2020. The above mentioned liabilities shall be payable after 30 June 2020 in installments until the end of the year.

Correction of advance CIT payments

- 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.

Main sources of information

- 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>

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As of 22 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.

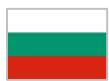
The advance payments declared with the annual tax return for 2019 may be changed (increased or decreased) by filing a declaration under Article 88 of Corporate Income Tax Act

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 (e.g. state compensation schemes, training...)	Other measures and sources	Other measures and sources
<p>Unchanged deadlines in the tax and social security legislation</p> <ul style="list-style-type: none"> 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>Rights of the employers:</p> <ul style="list-style-type: none"> Remote work (home office) and teleworking may be introduced without the consent of the employees To suspend the work of the company or certain departments Part-time work without the consent of the employees To provide half of the paid annual leave without the consent of the employees 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/ Suspension/cease of deadlines 	<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> <ul style="list-style-type: none"> 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/vat-implications-arising-as-result-of-the-covid-19-outbreak.html

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As of 22 April 2020

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

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 were confirmed by the Croatian parliament on 19 March 2020.

— Among the tax relief measures, provisions include:

- 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.

On 24 March 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.

— Available tax payment deferral measures:

- 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

- 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:

- 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 (NOTE: as of 9 April 2020, this measure has been extended to all entrepreneurs whose tax base is determined based on the supplies made).

Indicators of inability to settle tax liabilities due:

- a decrease in income / receipts in the month preceding the month in which the application for tax deferral was submitted by at least 20% compared to the same month of the previous year; or
- a probable decrease in income / receipts in the next three months from the month in which the application was submitted by at least 20% compared to the same period of the previous year.

In addition, the applicant should prove that the VAT liability due arises from issued invoices that have not been settled and / or other indicators that affect its liquidity.

On 9 April 2020, new provisions entered into force regulating the following:

1. Deferral of VAT Liability

Application for a VAT deferral can be submitted by:

- Entrepreneurs who report VAT on an accrual basis, regardless of the value of supplies of goods and services in the previous year (limit of HRK 7,5 million is abolished) if:
 - They meet the indicators of inability to settle tax liabilities due (20% revenue decrease); and

- VAT liability arises from issued and incoming invoices that have not been settled.

Implementation of the deferral:

- VAT liability is assessed on a cash basis, i.e., output VAT arises on paid invoices and input VAT can be recovered on paid invoices;
- Taxpayer submits VAT return in accordance with the regular taxation procedure and on position VIII.2 of the VAT return reports the difference of VAT assessed on the cash basis. The amount stated on position VIII.2. will be deferred until 31 July 2020;
- Deferral can be applied for VAT liability arising from the March VAT return due by 30 April 2020, and the VAT liability arising from the April VAT return due by 31 May 2020.

2. Exemption from the payment of tax liabilities

Exemption is applicable to entrepreneurs:

- whose business activities are during special circumstances banned, disabled or significantly impeded by decisions of the competent authority; and
- have a decrease in income of at least 50% in the period from 20 March 2020 to 20 June 2020 comparing to the same period previous year.

If the taxpayer:

- had income/receipts less than HRK 7,5 million in 2019, full exemption on tax payments due; and
- had income/receipts more than HRK 7,5 million in 2019, partial exemption on tax payments due proportionate to the decline in income compared to the same period of the previous year.

Exemption is applicable on:

- All taxes and public charges due in the period from 1 April 2020 to 30 June 2020.

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As of 22 April 2020

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

The exemption is not applicable on:

- VAT, excise duties, custom duties, contributions for pillar II of mandatory pension insurance, taxes and surtax on final income, fees and charges on games of chance, liabilities based on previously concluded administrative agreements and rescheduled liabilities from pre-bankruptcy and bankruptcy proceedings.

Exceptions

- Taxpayers who earn income from renting flats, rooms and beds to travelers and tourists and organizing campsites, who pay a lump sum tax, will be exempt from the tax payable by the end of the second quarter of 2020 (1/4 of the annual lump sum income tax and surtax) without submitting a request.
- Taxpayers and other legal and natural persons who have not submitted a Request for payment deferral and who have a business disruption of more than 50% during special circumstances may apply for a tax exemption by 20 June 2020. The tax authority will decide on the request in a special procedure.

3. Exemption from contribution liabilities for co-financed net salaries

- Employers utilizing the grant provided by the Croatian Employment Fund to support job preservation are exempted from paying contributions for supported net salaries.
- Exemptions will be determined ex officio by the Tax Authorities

4. VAT on donations and imports

- Donations of goods and services for the purpose of mitigation of adverse COVID-19 effects will be VAT exempt.
- Import of goods for the purpose of mitigation of adverse COVID-19 effects will be exempt of customs and import VAT.
- Import VAT does not need to be paid to be recoverable, i.e., reverse charge mechanism applies.
- The aforementioned exemptions apply to goods imported or donated by 20 June 2020, and the first exemption applies to the VAT liability due in April 2020.

5 Corporate Tax Return and other financial statement filing deadlines

- The submission deadlines for the financial statements and accounting records for 2019 are postponed.

Type of report	Deadline
Financial statements for statistical purposes	30.6.2020.
Corporate Tax Return and related forms and accompanying reports	30.06.2020
Statement of inactivity	30.6.2020.
Consolidation requirement notification	30.6.2020.
Financial statements for public announcement purposes - unconsolidated	8 months from the last day of the business year
Public announcement of the branch office	8 months from the last day of the business year
Separate non-financial report	8 months from the balance sheet date
Financial statements for public announcement purposes – consolidated	10 months from the last day of the business year

- The deadline for payment of liabilities determined on the basis of the Corporate Profit Tax return and the accompanying reports is 31 July 2020.
- These deadlines do not apply to taxpayers whose business year is different than the calendar year.

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As of 22 April 2020

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

The Croatian Government introduced certain measures to support job preservation and mitigate the effects of the special circumstances caused by COVID 19.

The employment protection measures introduced include:

- grants for preserving jobs in COVID 19 affected sectors,
- temporary suspension of previous grants for self-employment and employment in order to secure additional funds for preserving jobs in COVID 19 affected sectors,
- extension of measure for continuous seasonal employees.

Effectively for the majority of employers this means compensation of salary costs in the amount of the minimum net salary per employee during the period of 3 months starting as of 1 March 2020.

Eligible industries and eligible employers:

- a) Employers from the following industries:
 - hospitality, food and beverage,
 - transportation and logistics,
 - labour-intensive activities within the manufacturing industry: textiles, clothing, footwear, leather, wood and furniture,
- b) employers unable to carry out their activities in accordance with the decisions of the Civil Protection Service,
- c) other employers who can prove impact of special circumstances caused by COVID-19.

An employer will not be granted support if there has been a decrease in the number of employees in the period from 20 March 2020 until the date of submission of the request if the percentage of employment decline is greater than:

- 40% for employers employing up to 10 workers,
- 20% for small entrepreneurs,
- 15% for medium-sized entrepreneurs,
- 10% for large entrepreneurs.

The above does not include the expiry of a definite-term employment contract, the retirement of workers and the termination due to the employee's misconduct.

Employers from the above mentioned industries must prove one of the following reasons (without cumulation) and sign the statement under material and criminal liability, in order to receive the grant:

- decrease of revenue,
- cancellation of reservations, events, congresses, seminars, etc.,
- cancellation of Contracts and Orders,
- inability to deliver finished products or contracted and paid raw materials, raw materials, machinery, tools, etc.,
- inability of ordering raw materials, tools and machines necessary for work.

Employers that by the decision of the Headquarters of Civil Protection are not allowed to perform activities have to submit the aforementioned decision.

An employer, who is having difficulty in doing business because of special circumstances submits evidence of cancellation of Contracts and Orders problems in transportation and delivery of goods or procurement of raw materials etc.

An employer which is facing a decrease of revenue is required to provide a tabular comparison of revenue by the end of the month in which the claim was filed with the same month of the previous year, with a projection of revenue in the coming period of three months, comparing the same period in the previous year. A decrease of more than 20% is acceptable.

Grant per employee:

- For March 2020: HRK 3,250.00 for full-time employees or pro-rata for part-time employees based on the number of hours worked.
- For April and May 2020: HRK 4,000.00 for full-time employees or pro-rata for part-time employees based on the number of hours worked.

Grant period:

- From 1 March 2020 and maximum up to 3 months.

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As of 22 April 2020

Economic stimulus measures

(e.g. loans, moratorium ...)

- Measures for financial liquidity including a three-month moratorium on liabilities to the Croatian Bank for Reconstruction and Development (HBOR) and commercial banks (moratorium subject to further extensions), 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 by HBOR and commercial banks for enterprises to finance wages, utility costs and other basic business operating costs (working capital) under favorable terms (interest starting at 0% for HBOR's loan portion);
- 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;
- The Croatian National Bank has reduced the bank statutory reserve requirement rate from 12% to 9%.

Other measures and sources

Main sources of information

- 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>
- Implementation of the tax payment deferral procedure in special circumstances: <https://home.kpmg/hr/en/home/insights/2020/03/implementation-of-the-tax-payment-deferral-procedure-in-special-circumstances.html>
- Overview of Government's job preservation measures to mitigate the effects of special circumstances caused by COVID-19: <https://home.kpmg/hr/en/home/insights/2020/03/overview-of-government-s-job-preservation-measures-to-mitigate-the-effects-of-special-circumstances-caused-by-the-covid-19-epidemics.html>
- Government measures to mitigate the effects caused by the coronavirus epidemic - second set: <https://home.kpmg/hr/en/home/insights/2020/04/government-measures-to-mitigate-the-effects-caused-by-the-coronavirus-epidemic-second-set.html>
- Implementation of the second package of tax measures (COVID-19): <https://home.kpmg/hr/en/home/insights/2020/04/implementation-of-the-second-package-of-tax-measures-covid-19.html>

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As of 22 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> <ul style="list-style-type: none">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.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.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>Deferral of VAT payment until 10 November 2020</p> <ul style="list-style-type: none">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:<ul style="list-style-type: none">The relevant VAT returns will be timely submitted (10/4, 10/5 and 10/6 respectively) andTaxable 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> <ul style="list-style-type: none">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: <table><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><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></table> <ul style="list-style-type: none">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.	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.htmlCyprus: VAT payment deferral (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-cyprus-vat-payment-deferral.html
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%																																			



Other measures and sources

Suspension of the collection of loan installments and interest

- Under the Emergency Measures by Financial Institutions and Supervisory Authorities Decree of 2020, dated March 30, 2020, all licensed banks in Cyprus are ordered to suspend the collection of loan installments, including interest, until the end of the year, subject to the borrower submitting a written request to this end and no default amounts to have existed, on the relevant loans, over 30 days past due as at 29 February 2020. Under the scheme, the sum of the suspended installments on the principal, as well as the interest for the period in question, will not be immediately due on December 31st 2020, but the loan duration will be suitably extended to accommodate the suspension.

Central Bank of Cyprus Guidelines to Banks

- The Central Bank of Cyprus has issued guidelines to banks with respect to the provision of short-term liquidity facilities, of a duration of up to 12 months, at preferential terms (interest rate and other charges), to viable physical and legal entities which are facing financial difficulties as a result of the COVID-19 pandemic (generally defined as a reduction of at least 25% in turnover). The additional liquidity facilities may be used to cover payroll cost, rentals, trade creditors etc and may be for a maximum amount of up to two times the annual payroll cost or up to 25% of the entity's (legal or physical) most recent annual turnover.

Special Plan for a Full Suspension of Business or Partial Suspension of Operations

- Within the framework of the emergency measures taken by the Ministry of Labour, Welfare and Social Insurance in response to the COVID 19 pandemic virus Act 2020 and aiming to support both private sector's and businesses' employees, the Special Plan for a Full Suspension of Partial Suspension of Business Operations and the payment of a Special Unemployment Benefit to private sector's employees come into force, provided they abide to certain Terms and Conditions.

Special Self Employee Benefit.

- In the context of the emergency measures taken to cope with the COVID 19 Pandemic contained within the legislation enacted during 2020 and to support self-employed persons, the "Self-Employed Special Benefit" shall be provided in accordance with the terms and conditions set out in this Decision.

Child Care Special Leave

- Within the content of the Emergency Measures Taken to Cope with the COVID 19 Pandemic Act 2020 aiming at supporting employees responsible for the care of children up to 15 years of age and/or children with disabilities of all ages the "Child Care Special Leave" allowance is granted in accordance with certain terms and conditions. The Child Care Special Leave Allowance will be awarded to working parents who are responsible for the care of children up to 15 years of age and / or children with disabilities of any age and due to the nature of their work cannot work either by teleworking or working from home or with flexible working hours provided there is no in-house assistance.

Main sources of information

- KPMG information page:
<https://home.kpmg/cy/en/home/insights/2020/03/agile-support-our-response-to-covid-19.html>
- Ministry of Health in Cyprus:
https://www.moh.gov.cy/moh/moh.nsf/index_en/index_en
- Ministry of Finance in Cyprus:
<http://mof.gov.cy/en/>
- Ministry of Labour, Welfare and Social Insurance in Cyprus:
http://www.mlsi.gov.cy/mlsi/mlsi.nsf/index_en/www.aboutcyprus.org.cy
- Press and Information Office (COVID 19 Section):
<https://www.pio.gov.cy/coronaviruses/en/>

**CONTACTS:****Tax:** Patrick Leonard – pleonard@kpmg.cz**Legal:** Viktor Dušek - vdusek@kpmg.cz, Barbora Cvinerová - bcvinerova@kpmg.cz**As of 22 April 2020****General Information**

The Government of the Czech Republic declared a state of emergency from 2pm on 12 March 2020 to 30 April 2020. 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 real estate transfer 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 propose the complete abolishment of real estate transfer tax with retroactive effect. Together with the abolition of the tax, it is proposed to abolish tax deductions from mortgages. However, the tax deductions for mortgages should be maintained for those who were required to pay the real estate transfer tax prior to its abolition.
- Suspension of the obligation to apply the electronic registration of sales for the period of emergency and the following three months – i.e. 3 months from 30 April 2020 (valid for all entities).
- Waivers of penalty for late payments and default interest on late payments of road tax advanced payments. It shall apply to all tax advanced payment due on 15 April 2020 and 15 July 2020. The waiver applies only if all advanced payments 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.).
- The Government has introduced a “loss carry-back” mechanism. Taxpayers with a tax liability for 2018 or 2019 who anticipate a tax loss for 2020 would be able to deduct this loss from their tax bases for 2018 and 2019. The resulting tax overpayment would then be refunded to the taxpayer's account based on the taxpayer's application
- No penalty for late payments of health insurance contributions paid by employers for period from March to August 2020. Contributions will not be enforced until 21 September 2020. However, premium payments for the months of March to August 2020 must be made. The same is applicable also for self-employed.

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).



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

A Czech Government bill on certain measures to mitigate the effect of the SARS-CoV-2 pandemic aims to protect lessees of commercial premises that are in default with rental payments.

Commercial lessees

- Lessees whose inability to pay rent has been caused by the pandemic should be protected from the unilateral termination of a lease by the lessor on the grounds of the lessee's failure to pay rent. As regards premises leased for business purposes (commercial premises), the bill applies to the period between 12 March and 30 June 2020. The 'protection period' within which the rent must be paid ends on 31 December 2020, which is a significant change from the date originally proposed by the government, i.e. 31 March 2022.
- From a tax perspective, lessors still must meet their obligations, mainly as regards income tax and VAT. These negative impacts may be eliminated by applying for the deferment of tax payments, along with a waiver of interest on the deferred amount. This, however, creates a certain administrative burden for lessors, and there is still the risk that the application may not be granted. If the rent is not paid due to the termination of the lessee's business activity, the procedure for the correction to the tax (VAT) base for unrecoverable debt should be followed.

Immovable property

- A proposal by the Ministry of Finance would eliminate the tax on immovable property acquisitions and repeal tax deductions available for new mortgages.

Additional measures

- On 7 April 2020, the Czech Chamber of Deputies commenced a summary consideration of selected government bills aimed at mitigating the effect of the current pandemic. First, this concerns lex COVID, which in addition to changes to insolvency rules and some other issues associated with the decision-making of corporate entities also contains other changes.
- Lex COVID should allow participants in court and other listed proceedings to apply for a waiver of deadlines missed as a result of the current pandemic, or for the restoration of time limits in criminal proceedings (deadline retrocession).
- Within lex COVID, an amendment to the Enforcement Procedure Code proposes to allow bailiffs to suspend proceedings if in the last three years these did not result in the recovery of debt. The entitled party (i.e. creditor) may prevent such a suspension by depositing an additional advance for expenses or by just expressing disagreement with the suspension of enforcement if claims such as maintenance and support allowances for minor children or compensation of damage to health are concerned.

- According to existing Czech legislation, general meetings of joint-stock companies and limited liability companies must still discuss their ordinary financial statements within six months from the end of the prior accounting period. The Corporations Act contains legal concepts that may help corporations fulfil their duties even under the current circumstances while ensuring an effective and safe decision-making process.
- Decision-making outside general meetings (per rollam) is carried out in writing between the concerned parties sending one another proposed resolutions and opinions, etc. The basic rules are regulated by law; more detailed conditions can then be stipulated by the acts whereby corporate entities are founded (such as memoranda/articles of association).
- Limited liability companies may decide per rollam unless their memoranda of association exclude this possibility; joint-stock companies, on the other hand, may only do so if their articles of association explicitly permit it.
- The Corporations Act also provides for the option to use technical tools (e.g. teleconferencing or communication via Skype), but with respect to limited liability and joint-stock companies, this is only possible if explicitly allowed by their memoranda/articles of association.
- The government bill on certain measures to mitigate the effects of the SARS CoV-2 pandemic (lex COVID) brings certain hope to companies that would like to use the above legal concepts under the current circumstances but are limited in doing so. The bill proposes to allow bodies of corporate entities to decide per rollam even if their relevant founding acts do not explicitly say so. The right to proceed pursuant to this special measure would only apply in the duration of the imposed emergency measures.
- Lex COVID might also introduce a change to the approval of ordinary financial statements, postponing the statutory deadline for their approval where the time limit for doing so would expire earlier than three months after the end of the extraordinary measure. The new deadline would be three months after the end of the extraordinary measure, but no later than on 31 December 2020.



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 Labour 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

- Compensation Bonus amounting CZK 25,000, or a maximum CZK 500 for each calendar day of the bonus period (12 March – 30 April 2020).
- The Ministry of Finance has modified the conditions of support for self-employed persons, they are now set as follows:
 - The activity performed is the main activity,
 - The activity performed may also be minor activity if the self-employed person is not simultaneously employee
 - The self-employed were active on 12 March 2020.
 - Alternatively, it may also be a self-employed whose activity was interrupted at any time after 31 August 2019 (seasonal business)
 - A self-employed person declares that he / she was unable to perform its activity in whole or in part above the normal level due to health threats related to the occurrence of coronavirus or government emergency measures
 - The applicant shall prove the fulfilment of these facts by a declaration on honour.
- It has to be proceed through the legislative process that could be completed this week, by 12 April at the latest

**Economic stimulus measures***(e.g. loans, moratorium on debt repayments, cash grants ...)***Financing**

- 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:
 - CZK 5bln of interest-free loans to be provided by Českomoravská Záruční a rozvojová banka, a.s.,
 - 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.
- COVID credit loan for Prague - there will be a new programme similar to COVID II programme, which will be available for companies in Prague. Budget will be 4-5 billion CZK.
- Calls were announced in cash grant programmes Czech Rise Up and The Country For the Future that are aimed at supporting the fight against COVID-19.
- Czech Rise Up
 - Supported activities - the costs incurred by companies to put new solutions into practice
 - Amount of support: min 500 TCZK - the maximum grant shall not exceed de minimis aid ceilings (TEUR 200 over the period of three years)
 - Level of support: 50–90 % of eligible costs
- Country For the Future (only for SMEs)
 - Supported activities - process innovation, organizational innovation
 - Amount of support – max 25 MCZK
 - Level of support: 50 % of eligible costs
- EGAP (Export Guarantee and Insurance Company) will provide guarantees to large companies with more than 250 employees
 - Companies will be able to apply for loans ranging from 5 MCZK to 1,400 MCZK.
 - Companies will be able to use loans up to a maximum of 25 percent of total annual revenue from products or services.
- 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.
- An act postponing loan payments upon borrowers notification for until 31 October 2020 without any further fees and limited interest rate for customers is currently discussed in Parliament.
- Drafted new acts would enable tenants to postpone payment of a rent for 3 or 6 months.

Custom Measures**Masks**

- All persons are prohibited from selling all personal protective equipment according to the European Parliament and of the Council (EU) 2016/425, class FFP3 manufactured and placed on the market in accordance with standard EN 149: 2001 A1: 2009 to other persons than those specified in emergency provision.

Customs formalities

- Import of test kits for proof of disease by COVID-19 - Diagnostic devices that include coronavirus test kits, if they are not intended for self-testing and are not included in List A and B (Annex 2 to Government Regulation No. 56/2015 Coll.), do not need to be registered and the person who import such devices may not be registered according to the requirements of Act 268/2014 Coll. on medical devices.
- Information for entities - import, transport and use of alcohol for the production of disinfectants

Payment facilities

- Remission of an administrative fee for acceptance of an Application for tax refund related to imports or for remission of customs arrears
- With respect to spread of SARS-CoV-2 the Minister of Finance issued several Decisions to waive the tax penalties and the administrative fee due to an extraordinary event (i.e. remissions of VAT for free supply of specific goods, remission of interest on late payment in specific situations etc.)

Export

- The Government prohibited re-export of drugs abroad during the emergency state. Information on exports of medicines not covered by the prohibition - medicines which has foreign-language label on the packaging are not subject to the export ban and also export of medicines with multilingual label will be assessed individually by the customs office (for both options, the customs office require affidavit of exporter to which market is export shipment intended).



Other measures and sources

- 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.

Important websites

- 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/>)
- 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>)

**CONTACTS:****Tax:** Ole Schmidt – ole.schmidt@kpmg.com**Restructuring:** Dale Treløkken – dale.treløkken@Kpmg.Com**Legal:** Stine Andersen – stine.andersen@Kpmg-law.Com**As of 22 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.

Tax Disclosure Deadlines

- On March 31, 2020, the Danish Ministry of Taxation announced that:- all tax return and tax disclosure deadlines for the 2019 income year are extended until 1 September 2020. - the deadline for other disclosures (required after the submission deadline of the disclosure form) is extended until 1 September 2020. For instance, this applies to requests for payment under the Danish tax credit scheme for costs related to research and development (R&D). The deadlines are extended automatically. There is no need for taxpayers to apply for an extension to 1 September 2020. "
- The postponement of the tax return deadline for FY 2019 also applies to the requirement to finalize transfer pricing contemporaneous documentation for FY 2019 as Danish transfer pricing rules require companies to prepare transfer pricing documentation contemporaneously—that is, the documentation must be ready no later than the date for filing the tax return. This tax return due date extension means that the deadline for preparing the FY 2019 transfer pricing documentation for most companies will therefore be 1 September 2020.

Company tax account (Skattekontoen)

- The current limit of DKK 200,000 for companies' tax account balance increased to DKK 10 million on 17 March. On 18 April, the limit was abolished. The abolishment is in place in the period early May 2020 until 1 April 2021. Companies will have access to adjust and set the amount limit in their tax account. With the abolishment, companies with excess liquidity will have the possibility to insert an unlimited amount on the Company tax account in order to avoid negative interest and at the same time ease the pressure on the public finances.

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)

Postponement of the payment deadline for salary duty tax (those subject to method 4)

- The VAT-exempt companies that are subject to salary duty tax under Method 4 will also be delayed the payment deadline for the second and third quarters of 2020. The payment deadline for the second quarter is postponed to September 1, 2020 and the payment deadline for the third quarter is postponed to November 16, 2020.

Interest free loan

- SMEs which have paid VAT for Q3 and Q4 2019 can apply for the paid amount as an interest free loan. Further VAT-exempted entities subject to salary duty tax after the called method 4 (eg passenger transport companies, dentist and doctors), which have paid salary duty tax for Q1 2020 at 15 April 2020, can also obtain an interest free loan. The loan is calculated as the duty paid at 15 April 2020 + ¼ of the duty of the profit for 2019.
- Loans must be repaid 1 April 2021.

R&D Tax Credits

- Loss-making companies has the possibility to get a tax credit for their R&D costs. Usually, the tax credit is paid out in November when the final tax for the companies are being assessed. With the new legislation, the payments has been advanced, meaning that any tax credit for 2019 will be paid out in June 2020 instead of November 2020.
- The monetary limit of the R&D cost of DKK 25M has not been amended.

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As of 22 April 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 and 30 March 2020

- The government will subsidise 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 of DKK30,000 per employee on a monthly basis.
- Requirements:
 - A company is eligible if it otherwise would have fired a minimum of 30 % of its employees
 - The employee is not allowed to work while salary is being subsidized
 - The employee has to spend five days of holiday before the start of the subsidy

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...)***Entertainment event support by Ministry of Finance, 10 March 2020**

- 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

Reduced loan restrictions by Ministry of industry, business and financial affairs, 12 March 2020

- 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.

Loan guarantees by Ministry of Finance, 12 March 2020

- 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:
 - Small and medium size companies: Operating losses of 50% or more.
 - Large companies: Revenue losses of 30 % or more.

SAS guarantees, 17 March 2020

- The Danish and Swedish government offers new larger guarantees to SAS, amounts up to DKK2 billion.

Cost compensation, 19 March 2020

- 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:
 - 80% if revenue decline of 80-100%;
 - 60–80% if revenue decline of 60-80%;
 - 25% if revenue of 40-60%.



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Customs Measures
<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> <ul style="list-style-type: none"> — 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>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>Public investments by Ministry of Finance, 26 March 2020</p> <ul style="list-style-type: none"> — The Danish municipalities and regions have been encouraged to move forward investments for renovation of buildings, roads, etc. with the removal of an existing cap on these in 2020. — In addition, municipalities have the option to postpone corporate tax due dates. Furthermore, municipalities are allowed to prepay invoices of up to DKK1 million 	<p>No national measures</p> <ul style="list-style-type: none"> — At the present point in time the Danish Customs Authorities have not taken any measures in regard to the applicable Customs regulations in Denmark. <p>Export</p> <ul style="list-style-type: none"> — the EU has introduced export restrictions for certain personal protective equipment. It is possible to apply for an export license for export of protective equipment at the Danish Business Authority's website. (6 weeks effective)) <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/ — Ministry of taxation: — Commission Implementing Regulation (EU) 2020/402 of 14/03/2020

| Europe - Countries from A to G | Estonia

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As of 22 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 — In order to alleviate the financial situation of companies, the Estonian Tax and Customs Board (ETCB) suspended the calculation of interests on their tax arrears for the period of emergency with retroactive effect as from 1 March to 1 May. However, all tax returns must be submitted on time and taxes must be paid whenever it is possible. — The state will also cover the advance payment of social security tax for the first quarter on behalf of the private entrepreneurs (FIE = füüsilisest isikust ettevõtja in Estonian). — The Government and other related institutions are working on a more comprehensive support package. For example, it is considered to reduce the interest rate on tax arrears payable in instalments more than by 50% (currently the interest rate is 0.06% per day) and up to 18 months. 	<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. — The ETCB closed down the public debt inquiry tool and the provision of mass information about debtors via the X-tee services since currently available picture of companies' economic situation. Queries from the public procurement register will remain open. For the same reason, the ETCB will not publish any analyses on taxes paid, turnovers or staff numbers on its website. 	<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/new/emergency-situation-government-supports-estonian-workers-and-economy-least-eur-2-billion

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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). On April 7, the Government announced that it contemplates redirecting additional €0.5 billion funds to support corporations. The addition is directed to be distributed by the existing public finance providers (e.g. Finnvera, Business Finland, ELY etc.).

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. (vi) Creditors rights to pursue debtor into bankruptcy is narrowed. Currently, lack of liquidity is an accepted reason. By recent change in legislation this right is temporarily suspended. The possibilities to enter into debt restructuring procedures are loosened; (vii) Finnish legislation restrict maximum collection charges from consumers whilst similar restriction do not apply to enterprises. According to recent legislation change the same restrictions are set to apply for SME enterprises. (viii) Direct marketing of consumer credits is suspended (ix) Maximum APR% for consumer credits is dropped from current 20% to 10%. (x) Consumers under official recovery proceedings are given reliefs but the new legislation is under work.

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)	Employment-related measures (e.g. state compensation schemes, training...)
<p>The Finnish Government announced several measures, on March 15, 2020, to support companies during the COVID-19 epidemic. The measures announced include:</p> <ul style="list-style-type: none"> — An extension for corporate income tax return filings can be applied for by taxpayers. — A taxpayer can request certain payment arrangements for taxes. — Late filing penalties may not be collected in respect of VAT returns. 	<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 (TyEL and 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.

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- 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
 - 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 approximately 1.0% with bank variations. 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
 - 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.

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



Economic stimulus measures (continued)

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

— Key actions by Finnvera (continued)

- 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 €300,000 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.

Key actions by Business Finland

Business Finland offers subsidies and loans for SME and mid cap companies. Measures taken:

- Launched two new subsidy programs for SME and mid cap limited liability companies for:
 - 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.



Economic stimulus measures (continued)

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

Key actions by ELY (Centers for Economic Development, Transport and the Environment)

ELY Centers offer development subsidies, development services and transport support for SME companies. Measures taken:

- 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:
- 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.

Key actions by TESI

- 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
- TESI is Governmental agency, providing private equity type of financing for Finnish SME companies, who have strong growth outlook and market potential. COVID-19 measures:
- Will launch on 14 April 2020 a stabilisation financing programme II (program I was launched in 2008 financial crisis) for the SME sector. The purpose is together with private investors to strengthen companies' financial positions. The Government directs €150 million into this programme.
 - The investments range €1.0-10.0 million;
 - The Target shall be a notable domestic employer with minimum €10 million in net sales and 50 employees. The Target business must be proven profitable before the crisis with feasible outlook after the crisis.

Key actions by unions (Agreed but not fully funded)

- 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.

Key actions by Municipalities

- Municipalities support self-aid enterprises by one time €2,000.



Customs Measures	Other measures and sources
<p>Import restrictions</p> <ul style="list-style-type: none"> — In line with the Finnish Government decision, cross-border traffic will be restricted until 13 May 2020. The restriction does not apply to goods traffic or the necessary movements of goods transport personnel or other transport employees. In these exceptional circumstances, Finnish Customs has commented on the applicable definition of goods traffic and the procedures aimed at clarifying situations at border crossing points, and at reducing the spread of the coronavirus. — It is not possible to import dogs, cats or ferrets if they are not travelling with their owners. <p>Customs authorities</p> <ul style="list-style-type: none"> — Due to the exceptional circumstances caused by the coronavirus, Customs asks customers to avoid unnecessary visits to customs offices, and to primarily use our electronic services or alternative transaction services. If necessary, Customs will scale down the opening hours of customs offices for ensuring the continuity of Customs activities and smooth foreign trade. <p>Export</p> <ul style="list-style-type: none"> — In accordance with Commission Implementing Regulation 2020/402 which is in effect, exports of certain personal protective equipment to non-EU countries require an export authorisation. The export authorisation requirement took effect on 15 March 2020, and will apply for a duration of six weeks according to the Implementing Regulation. <p>Excise</p> <ul style="list-style-type: none"> — Excise: due to the exceptional circumstances caused by the coronavirus, the Tax Administration will ease the terms of payment arrangements for the time being. In addition, the Ministry of Finance is preparing a legislative amendment that will temporarily lower late-payment interest rates for taxes in a payment arrangement. (To be determined) 	<p>Main sources of information</p> <ul style="list-style-type: none"> — Customs' web site — Tax Administration's website

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As of 22 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.

The European Commission has found a French scheme deferring the payment by airlines of certain aeronautical taxes to be in line with EU State Aid rules.



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.

- The French tax authorities have announced that, in general, no new tax audits will be started during the COVID-19 "lockdown period" and that new procedural actions (notifications and assessments) will not be initiated except in specific cases.
- The European Commission has found a French scheme deferring the payment by airlines of certain aeronautical taxes to be in line with EU State Aid rules.

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

- For the self-employed and the liberal professions, the monthly deadline of 20 April will not be charged. Pending future measures, the amount of this due date will be smoothed over subsequent due dates (May to December).
- In addition to this measure, self-employed workers and the liberal professions may apply for:
 - The granting of payment deadlines, including by anticipation. There will be no late payment increase or penalty;
 - An adjustment of their contribution schedule to take account of a drop in their income, by reassessing their income without waiting for the annual declaration

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).
- If companies are unable to gather all the documents needed to set up the VAT statement, the DGFIP allows a temporary softening of the VAT statement and payment procedures (possibility of paying an 80% deposit (Tolerance for the holiday period) and the possibility of lump-sum payments at 80% or even 50% in the event of total closure or a very sharp drop in activity).
- Similarly, MEDEF has asked for flexibility so that "paper" invoices can be sent by electronic mail, without sending the original paper document, and without affecting the right to deduct VAT. The DGFIP responded favourably to this request.



Tax measures – Direct and Indirect (continued)

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

Deferral without penalty of the settlement of future direct tax liabilities

— Concerns all direct business taxes (advance tax, payroll tax) with the exception of VAT and assimilated taxes, the transfer of the withholding tax (PAS) made by the collectors and the TSCA, which cannot be carried forward.

— **Granted for a period of 3 months**

— **On request, via the simplified form to be sent to the relevant EIS (Corporate Tax Department)**

Which deadlines can be postponed (for the time being)?

- The deadlines for March that have already been set: Possibility of requesting reimbursement from the EIS once the withdrawal is effective.
- April maturities
- May maturities and in particular the IS and CVAE balances
- For monthly payment contracts (CFE or property tax):
 - Suspension is possible by contacting the Service Collection Centre.
 - The remaining amount will be deducted from the balance, without monthly penalties, or from one quarter to the next if their instalments are
- Remission of direct taxes, interest on late payment or penalties in the event of serious difficulties
- On request via the simplified form
- On proof of inability to pay

Adaptation of the calendar of the main tax due dates for professionals in the month of May

In today's press release, the Minister of Action and Public Accounts has just announced measures to postpone the main reporting deadlines from May to 30 June, as well as measures to postpone the payment of corporate taxes from May (see the adapted calendar under point 3. below). However, it should be noted that companies that are able to do so must fulfil their reporting and payment obligations in accordance with the initial timetable.

All deadlines for filing tax returns and other similar declarations in May are therefore postponed to 30 June:

- The carry forward of the 2019 tax package concerns the financial years ending in December 2019, January and February 2020.

- For the final declaration of the CVAE, (1329 DEF), a distinction must be made between two scenarios:
 - If the company is in credit vis-à-vis the State: the declaration remains due on 5 May.
 - If the company is in debit with the State, the declaration is postponed until 30 June (with payment by the same date and subject to compliance with the "liability undertaking", if applicable).
- The filing of the tax consolidation scope is also postponed to 30 June: the tax authorities had just announced that the option period for the consolidation regime should be "logically" postponed under the same conditions as the postponement of the reporting deadline for income tax returns (which was set at 31 May). It had also allowed this option, normally notified on plain paper according to the model established by the Administration, to be transmitted in the current context on a signed and scanned PDF document and then sent by e-mail to the competent management department via the secure messaging system of the company's tax account.
- No extension of the filing deadline for the corporate tax option, with some exceptions. In principle, the option for corporation tax must be exercised before the end of the third month of the financial year in respect of which the company wishes to be subject to corporation tax for the first time. No deferral is provided for the filing of the option for corporation tax, unless, by way of exception, the company justifies that it is not in a position to transfer the option (accounting firm or closed premises). The additional period will then be granted, on request, by the managing department.

Companies experiencing difficulties may request the postponement of the payment of the tax due in May (balance of corporation tax, balance of CVAE).

- The possibility hitherto limited to the March and April deadlines has now been extended to those in May.
- It should be noted that for large companies and groups (more than 5,000 employees or €1.5 billion in sales), extensions of payment deadlines will only be granted if no dividend payments or share buybacks are made until the end of the year ("liability commitment" announced in a press release dated April 2).



Employment-related measures

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

Deferral of the filing date for tax returns (continued)

- Gérald Darmanin announced Friday, April 3 that:
 - For companies with less than 50 employees, the April 15 deadline for social security contributions will be extended.
 - For the self-employed, extension of the deadline of 20 April
 - For micro-entrepreneurs, postponement of the April 30 deadline for Q1 2020 sales revenue

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)
- 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. The additional payment made by the employee, as the allowance which correspond to 70% of the gross salary, is not subject to social security contributions (except for the CSG-CRDS, which is paid by the employer).
 - The provisions of the decree apply to claims addressed or renewed to the Services and Payment Agency as from the date of entry into force of the decree (i.e. March 26, 2020), in respect of the placement in partial activity of employees since March 1, 2020. It should be noted that this payment is now limited to 1607 hours until 31 December 2020 and per employee (publication in the OJ on 3 April 2020).

- 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

Employment-related measures (continued)

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

Partial unemployment (continued)

- The decree may also open the benefit of the partial activity to employees whom working time is organized with an annual day package 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.
 - 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): (Only for firms in difficulty)

- 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;
 - 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. 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 Reduction of Working Time (RTT in French): By way of derogation from the agreement or the collective bargaining agreement establishing a working time reduction scheme, the employer has the possibility of imposing or modifying the RWT (RTT in French) 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 (Time savings account): 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.



As of 22 April 2020

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

- 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.

- 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

2/ 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.

**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 (15March):

- 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.

Creation of a "repayable advance" for SMEs that cannot find financing

- Setting up a system of €500 million repayable advances for fragile SMEs that cannot find financing and need cash to get back on their feet.
- No details on how these announcements are to be implemented have been provided.



Customs Measures

Duty relief

- Relief from Customs duties and import VAT for sanitary equipment intended to be donated to State or competent authority recognised charitable organisations as allowed by the EU Commission decision (French Customs authorities' Notice of 13 april 2020)
- Several formalities must be carried out in order to benefit from the relief, also at the time of Customs clearance

EU definition of exporter

- Postponement of the date of entry into force of the new Customs definition of exporter to 1 October 2020

Masks' supply

- Requisition of masks stocks of respiratory protection masks and anti-projection masks (i.e. masks of type FFP2, FFP3, N95, N99, N100, P95, P99, P100, R95, R99, R100 as well as those complying with standard EN 14683) currently present on the French national territory.
- Import of masks is possible but stocks of imported masks may also be subject to total or partial requisition above a threshold of 5 million units per quarter and per legal entity,
- Specific formalities on imports may need to be carried out

Customs audits

- Suspension of Customs audits
- Suspension of procedural acts (infringement notifications and assessments) for ongoing controls

Payment facilities

- French customs authorities (DGDDI) has set up an exceptional procedure allowing importers to defer the payment of customs duties, indirect contributions and other taxes collected by the French Customs Administration.
- These easements will be granted to companies facing proven financial difficulties

Excise

- French Customs authorities published a Notice for companies wishing to manufacture sanitizers and for alcohol producers supplying those companies
- It is possible to replace denatured alcohol with natural alcohol in the manufacturing process
- French Customs authorities specified the conditions for benefiting from an excise duty exemption

Exemption from dock dues

- Supply and import into French Overseas Departments and Territories of sanitary equipment is exempted from dock dues under certain conditions



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)

- Companies whose 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.
- Companies in receivership proceedings, as well as GAEC, will become eligible for the Solidarity Fund.



Other measures and sources (continued)

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

- These persons will be eligible for an additional flat-rate aid of €5,000 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. The application for additional aid must be made by paperless means, by 31 May at the latest, and will be examined by the regional councils.

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; such provisions enter into force and deadlines are suspended during said period; the provisions and penalties already entered into force during this period of time are suspended

- 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;



Other measures and sources (continued)

- 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.

Limitation of payment of dividends during the sanitary emergency period, call for moderation

- Big companies as defined by French Minister of Economy who benefit of a state aid in the purpose of Covid 19 (tax, social, other) shall undertake a commitment not to pay dividends, and if such payment is required by law, to be moderated in the amount of such dividends, various forms of payments of dividends paid after 28 March 2020 fall within the scope of this limitation.

Solidarity Fund €2bn (3 months extendable by decree for a maximum of 3 months)

- Persons eligible for the solidarity fund natural persons (main criteria):
 - Legal and natural persons of private law who are French tax residents and who carry out an economic activity, referred to as "companies", and who meet the following conditions:
 - Beginning of activity before 1 February 2020
 - No filing of a declaration of cessation of payments on March 1, 2020
 - Workforce less than or equal to ten employees
 - Turnover recorded in the last financial year ended less than one million euros. For companies that have not yet closed a financial year, the average monthly turnover over the period between the date of creation of the company and 29 February 2020 must be less than 83,333 euros;
 - Taxable profit plus, where applicable, any sums paid to the director in respect of the activity carried out less than or equal to 60,000 euros for the last financial year ended. For companies that have not yet closed a financial year, the taxable profit plus, where applicable, any sums paid to the manager is established, under their responsibility, on 29 February 2020, on the basis of their operating income and reduced over 12 months;
 - Natural persons, or for legal entities, their majority manager, do not hold, on 1 March 2020, a full-time employment contract or an old-age pension and have not benefited, during the period between 1 March 2020 and 31 March 2020, from daily social security benefits in excess of 800 euros;
 - Non-controlled legal persons
 - When they control one or more commercial companies within the meaning of Article L. 233-3 of the French Commercial Code, the sum of the employees, turnover and profits of the related entities comply with the aforementioned thresholds;
 - They were not, on 31 December 2019, in difficulty within the meaning of Article 2 of Commission Regulation (EU) No 651/2014 of 17 June 2014.
 - Undertakings engaged in the processing and marketing of agricultural products may not transfer, in whole or in part, to primary producers the aid provided for in Articles 3 and 4 of Decree 2020-371 (subsidy of EUR 1500 and subsidy of EUR 2000, see
 - The concept of turnover is understood as turnover excluding tax or, where the enterprise falls within the category of non-commercial profits, as net receipts excluding tax.
 - Or subject to a measure of collective proceedings at the request of the administrator in bankruptcy.
 - These persons will receive on request a flat-rate aid of EUR 1 500 (or aid equal to their loss of turnover if this is less than EUR 1 500). The application for aid must be submitted electronically by 30 April at the latest.
 - These persons will be eligible for an additional flat-rate aid of EUR 2 000 if they employ at least one employee, are unable to settle their debts within 30 days and have been refused a cash loan by their bank. The application for the supplementary aid must be made electronically, by 31 May at the latest, and will be examined by the regional councils.



Other measures and sources (continued)

Recipients of Solidarity Fund grants

- Grants shall be paid by decision of the Minister for Action and Public Accounts to companies, subject to compliance with the following conditions:
 - Have been subject to an administrative ban on receiving the public between 1 and 31 March 2020; or
 - To have suffered a loss of turnover of more than 50% during this period compared to the previous year

Freeze and deferral of certain current expenditure (Order No. 2020-316 of 25 March 2020)

- The beneficiaries of this scheme are natural and legal persons governed by private law engaged in an economic activity:
 - Who are likely to benefit from the solidarity fund provided for by the Order of 25 March 2020 in accordance with the criteria determined by Decree No. 2020-371 relating to the solidarity fund for companies particularly affected by the economic, financial and social consequences of the spread of the covid-19 epidemic and the measures taken to limit this spread (the "Decree 2020-371")
 - Or who continue their activity within the framework of collective proceedings (safeguard proceedings, receivership or judicial liquidation), subject to communication of a certificate by one of the judicial representatives appointed by the judgment opening the proceedings.
- Water, gas and electricity bills relating to the business premises of the companies concerned:
 - As of the entry into force of this order (26 March 2020), the above-mentioned suppliers are required, at the request of the beneficiaries, to grant them an extension of the due dates for payment of invoices due between 12 March 2020 and the date of cessation of the state of health emergency.
 - This deferral may not give rise to financial penalties, costs or indemnities to be borne by the abovementioned debtors.
 - The payment of the installments thus deferred shall be distributed equally over the installments for payment of invoices after the last day of the month following the end of the state of health emergency, over a period of not less than 6 months.
- Rents and rental charges relating to professional and commercial premises:
 - The non-payment of rent and rental charges relating to professional and commercial premises by the aforementioned beneficiaries may not give rise to financial penalties or interest for late payment, damages, penalty payments, execution of a cancellation clause, penalty clause or any other clause providing for forfeiture, or activation of guarantees or sureties

- For companies subject to corporate income tax (ending their fiscal year on 31 December), the date for filing the tax package is already postponed to 31 May 2020 (including in the case of electronic declarations). This measure applies to earnings subject to corporate income tax and to category income, including earnings declaration of civil real estate companies not subject to corporate income tax. It also applies to all tax credit forms.
- The DAS2, if not filed via the DSN, it can be filed at the same time as the declaration of earnings. For 2020 it will therefore be May 31 (source Medef).
- For companies and professionals subject to income tax (BIC, BNC and BA declarations): an extension of the declaration deadline to 1st of July is considered (source: Medef).

Emergency measures relating to employee representative bodies**Order n°2020-389 of 1st April 2020:**

- Immediate suspension of all electoral processes in progress in companies on the date of publication of the ordinance (in principle on 2 April). Effective from 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

Decree (No. 2020-419) dated 10 April pursuant to Order No. 2020-389 of 1 April 2020:

The decree specifies the procedures for consultation and meetings of staff representative bodies during the period of a state of health emergency by conference call or instant messaging.

- By conference call: the technical system implemented guarantees the identification of its members, as well as their effective participation by ensuring the continuous and simultaneous retransmission of the sound of the deliberations. When a secret ballot is held, the voting system used meets the conditions set out in the third paragraph of Article D. 2315-1 of the Labour Code
- By instant messaging: the technical device implemented guarantees the identification of its members, as well as their effective participation by ensuring instant communication of written messages during deliberations. It should be noted that voting takes place simultaneously. To this end, participants have the same time period to vote as from the opening of the voting operations indicated by the Chairman of the body



Other measures and sources (continued)

Helping to strengthen the equity capital of strategic economic players for France

- In view of the economic consequences of the health crisis, some companies operating in strategic sectors are in a critical situation
- In order to preserve these strategic economic players for France, this draft amended Finance Act also opens up an exceptional €20 billion in loans to strengthen the equity, quasi-equity and debt securities of companies.
- This programme, which is the responsibility of the State Equity Investment Commissioner, will thus be gradually added to the "State Financial Holdings" trust account, depending on the volume of financial transactions required
- The trust account will therefore track all capital increase or investment operations carried out thanks to the appropriations exceptionally opened in response to the crisis.

1 billion € increase in FDES funding

- In order to support companies with proven prospects for recovery, the present finance bill plans to increase the intervention capacity of the Economic and Social Development Fund (FDES), which grants loans to fragile or ailing companies, to €1 billion.

State guarantee for an AFD loan to the New Caledonian local authority

- The present Amending Finance Bill also provides for the granting of a State guarantee for a loan from the Agence française de développement (AFD) to the New Caledonian community, up to a maximum of €240 million.

Increase in the ceiling for short-term export credit insurance from €2 billion to €5 billion

- This draft amended finance bill raises the ceiling for short-term export credit insurance from €2 billion to €5 billion to protect companies, particularly SMEs and small and medium-sized enterprises, against the risk of non-payment in a complex international context.

Opening of the State guarantee to companies placed under safeguard procedure since 1 January 2020

- This draft amending Finance Act broadens and clarifies the scope of the beneficiaries of this guarantee in order to enhance its effectiveness: in particular, companies that were not in difficulty on 31 December 2019 but have been placed under safeguard proceedings since then will be able to benefit from this guarantee.

Exemptions granted by the State

- Exemption of sums paid by the solidarity fund to companies: Aid paid by the solidarity fund established by order no. 2020-317 of 25 March 2020 is exempt from corporation tax and social security contributions.
- Exemption from income tax and social security contributions of the exceptional bonus specifically paid to public administration employees mobilised in the context of the state of health emergency in order to take into account their significant work overload during this period: Correspondingly, the amount of the exceptional bonus exempt from income tax will not be subject to withholding tax by the employers who pay it and will not be taken into account for the determination of the reference tax income.



Updated

Other measures and sources (continued)

Reading of the PLFR 2 by the National AssemblyThe National

- Assembly adopted the draft Supplementary Finance Bill last weekend. On amendment of the government, the economic emergency plan is increased by 2 billion euros which should notably :
 - Finance the extension from May 1, 2020 of the short-time working scheme to employees in a situation of medical vulnerability to the coronavirus and to parents of children under 16 years of age without childcare solution (they were previously placed on sick leave);
 - This measure would allow them to receive compensation equal to 84% of their net pay, and at least the minimum wage, for the period during which they cannot work.
 - This compensation would be granted regardless of the seniority of the employees concerned or the duration of the corresponding work stoppages.
 - To allow the purchase of non-sanitary masks and investment in machines producing materials used for the manufacture of masks ;
 - Support zoos, shelters and family circuses so that they can continue to care for the animals;
 - Supporting industrial companies (from 50 to 250 employees) that are strategic for French industry or socially sensitive in a territory through repayable advances or loans at subsidised rates ('500 million).
- On the proposal of the MEPs, several other amendments were voted. The VAT rate on the sale of protective masks (FFP2, surgical and craft masks...) (new window) and on hydroalcoholic gels has been lowered to 5.5% until the end of 2021.
- A new obligation is imposed on banks: they will have to give written reasons for refusing loans of less than EUR 50 000 to companies that comply with the specifications of the state-guaranteed loan scheme.
- The bill was examined by the Senate on Tuesday 22 April 2020 and should be published in the next few days.

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>
- DIRRECTE Portal: <http://directe.gouv.fr/>
- French Customs authorities' Notice of 27 march 2020
- Decree 2020-293 of 23 March 2020
- French Customs authorities' Notice of 28 march 2020
- French Customs authorities website
- Non-official communication
- Law of 23 March 2020 rectifying the Budget for 2020

**CONTACTS:****Tax:** Claus Jochimsen – cjochimsen@kpmg.com**Restructuring:** Florian Rieser – frieser@kpmg.com**Legal:** Mathias Oberndörfer – moberndoerfer@kpmg-law.com**As of 22 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 of payable income-, corporate- and trade taxes as well as of solidarity surcharge are possible 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. For the reduction and deferral, sample applications have been submitted in some cases via the state tax authorities, e.g. from Hamburg: <https://www.hamburg.de/steuern/25178/start/>
- Facilitated possibility to reduce advance tax payments 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. 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. Late payment-penalties from the period from 19. March 2020 to 31. December 2020 will be waived, older fees will be suspended until 31. December 2020
- The Central Customs Authority (Generalzolldirektion), which administers e.g. energy duty and aviation tax, grants interest-free deferral of these taxes until 31 December 2020 upon instruction of the Federal Ministry of Finance.
- The Federal Central Tax Office (Bundeszentralamt für Steuern), which administers insurance tax and VAT, has been instructed to make appropriate concessions to taxpayers.
- Social security contributions may be deferred under certain circumstances, however, the deferral period is initially limited until the due date for the contributions for May 2020, i.e. at the end of May 2020 the deferred social security contributions from March and April would then have to be paid
- 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.
- Application for interest-free deferral of taxes due until 31 December 2020 is possible. Applications for deferral of taxes due after 31. December 2020 must be specifically justified.
- Decision on the duration of the tax deferral is made by the competent tax office (individually for each company). Applications for deferral without indication of a requested deferral period are initially granted for three months. Subsequent deferrals are possible until 31.12.2020, taking into account certain special features.
- 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.
- Facilitated possibility to reduce advance tax payments as soon as it is obvious that the taxpayer's income will be lower in the current year (decision at city / municipality level)
- According to the BMF, only the advance payment, 1/11 in the case of a permanent extension of the deadline, can be reclaimed for VAT. To relieve the burden, a permanent extension can be applied for if this has not yet been done. However, some Federal States offer to reduce the special VAT advance payment for 2020 to zero if a permanent extension is granted and to refund the special advance payment to the taxpayer
- 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



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

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.
- Currently, the deferral of social security contributions is possible for March and April 2020 under a simplified procedure
- The deferral period is initially limited until the due date for the contributions for May 2020, i.e. at the end of May 2020 the deferred social security contributions from March and April would then have to be paid. If payment is not possible in May 2020, employers can look for possible payment facilities beyond this time with the responsible health insurance company (e.g. instalment payment)
- 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).

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).

Further Information

- 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.

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

Act to Improve the Regulation on Short-Time Working

- 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.

Refund of Social Security Contributions

- 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.

Retrospective Effectiveness

- These facilitations will take effect ex post facto from 01 March 2020 and will be paid retroactively.



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

Reduced hours (Kurzarbeitergeld)

- 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.
- Increasing number of Reduced hours compensation claims: Approx. 470,000 new claims in March 2020 (as of 28.03.20). Comparison: Around 2,000 claims in February 2020

Processing time & acceleration measures of the Federal Labor Office

- 2-staged process:
 - Payment by the employer, up to now, usually possible max. 15 days after application (as of 23.03.20). Federal Labor Office expects Corona to extend the processing time
 - Afterwards, the reimbursement should happen „asap“
- Staff training and -increase to accelerate the processes:
 - Staff increase in the reduced hours department from 800 to 4,500
 - Phone-operating staff increase from 4,000 to 18,000

Since, as of 1 April 2020, it can be assumed that the processing of applications will take a very long time, companies will be forced to temporarily finance the reduced hours compensation and the social security contributions in the meantime. This should be taken into account when applying for KfW financing.

Law on the Prevention and Control of Infectious Disease

- 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.
- Due to the Covid-19 crisis the German government has reduced the threshold for the minimum number of employees who have to work short-time from 30% to 10%

**Economic stimulus measures***(e.g. loans, moratorium on debt repayments...)***Draft bill of the German Government as of 24th March 2020 (19/18110)****Regulations to protect domestic and commercial tenants**

— Tenant

- 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

- 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.

Suspension of the obligation to file for insolvency

- The obligation to file for insolvency is suspended retroactively from 1 March 2020 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 necessary, the Federal Ministry of Justice is entitled to extend the suspension of the obligation to file for insolvency until 31 March 2021 at the latest
- 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.
- The management bears the burden of proof that these conditions are met, but proof is facilitated by a legal presumption that applies if the company was not insolvent as of 31 December 2019.

Restriction of the admissibility of third-party applications to open insolvency proceedings

- For creditor insolvency applications filed between 28 March 2020 and 28 June 2020, the insolvency must already have existed on 1 March 2020.

**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 mobilise 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 €50 million 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 digitalisation 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 (interest-bearing liabilities).
- 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 (provisionally limited until 31 December 2020). 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 90%.

Economic Stabilisation Fund by the Federation ("Bund")

- €100 billion for direct recapitalisation measures to ensure the solvency of companies (in particular the acquisition of shares or dormant holdings, subscription to profit-sharing rights or subordinated bonds)
 - Precondition: At least two of the following criteria must have been fulfilled as of 1 January 2020:
 - Balance sheet total > €43 million
 - Turnover > €50 million
 - More than 249 employees (yearly average)
- €400 billion for guarantees that help companies to counteract liquidity bottlenecks refinance themselves on the capital market
- €100 billion to refinance the KfW (Kreditanstalt für Wiederaufbau) in the implementation of the special programmes assigned to it

Protective shield for supplier credits

- Joint protective shield amounting to €30 billion from the Federal Government and credit insurers to secure supplier credits of German companies
- Assumption of guarantees for indemnification payments by the credit insurers of up to €30 billion by the Federal Government in 2020
- Substantial participation of credit insurers; federal government receives 65% of premium income in 2020.
- Credit insurers bear losses of up to €500 million and assume the default risks that exceed the Federal Government guarantee

Suspension of the obligation to file for insolvency

- Companies that are severely affected by the corona-crisis are excepted 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

**Economic stimulus measures (continued)***(e.g. loans, moratorium on debt repayments...)***Suspension of the obligation to file for insolvency (continued)**

- 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

Consumer loan agreements

- For consumer loan agreements entered into before 15 March 2020, claims for repayment, amortisation 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 realisable 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 a balance sheet sum of up to €43 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).



Economic stimulus measures (continued)

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

KfW Special Programme 2020

- 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.
- No profit and dividend distributions during the credit term (except normal market remuneration)
- Planned adaptations by the Federal Government's "Corona-cabinet":
 - Credit term extension from up to 5 to up to 6 years, possibly up to 10 years
 - Deletion of the requirement of a positive prognosis for continuation in the KfW information sheet; instead, companies must have demonstrated orderly economic conditions as of 31.12.2019 (positive continuation is presumed)

Interest rates range from 1.0% to 1.46% with a 90% guarantee, 2.0% to 2.12% with an 80% guarantee. Dividends and profit distributions are not permitted during the term of the loan

KfW fast track loan for the mid-sized companies

- The KfW (Kreditanstalt für Wiederaufbau) offers a fast track loan for the companies with more than 10 employees.
- Mid-sized companies can apply for the new KfW fast track loan for investments and running costs as of 15 April 2020
- This loan is 100% secured by the German Federal Government guarantee. That is the reason why the chances of getting an approval for this loan is rather high.

Characteristics

- Development loan for acquisitions and running costs
- For mid-sized companies with 11-249 employees, that exist on the market at least since January 2019
- Cumulation with other KfW loans or instruments of the Economic Stabilisation Fund is not permitted (exception: grants awarded under the emergency aid programmes of the Federal Government and the Federal States, with a cumulative ceiling of €800.000)

- Max. loan amount is set at up to 25% of the firm's revenue in 2019:
 - For companies with up to 50 employees – max. €500.000 per business group
 - For companies with more than 50 employees – max. €800.000 per business group
- Interest rate is oriented to the capital market development and is to be set by the house bank
- 10 years term
- 100% risk assumption by the KfW
- No risk assessment by your bank
- No provision of collateral necessary

Precondition

- The applicant generated a profit: on average over the past 3 years (or over a shorter period in the case of younger companies)
- No profit and dividend distributions during the credit term (except normal market remuneration)

BMZ funding program develoPPP.de

- The Federal Ministry of Economic Cooperation and Development (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung, BMZ) offers funding for the projects that significantly mitigate the negative effects of the COVID-19 in developing and emerging countries.

Eligibility

- German and European companies or companies in emerging and developing countries with a long-term commitment in these countries
- Min. turnover €400.000
- Two operating business years
- Registered in the EU or in the country from the OECD DAC list



Economic stimulus measures (continued) (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Funding</p> <ul style="list-style-type: none"> Up to €200.000 (in exceptional cases a higher funding amount is possible). <p>Main source of information</p> <ul style="list-style-type: none"> KfW (Kreditanstalt für Wiederaufbau): https://www.kfw.de/KfW-Konzern/Newsroom/Aktuelles/KfW-Corona-Hilfe-Unternehmen.html BMZ (Federal Ministry of Economic Cooperation and Development (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung): https://www.deginvest.de/Unsere-L%C3%B6sungen/developPPP.de/COVID-19-Response-developPPP.de/ <p>Direct recapitalisation</p> <ul style="list-style-type: none"> The Federation ("Bund") established an economic stabilisation fund containing €100 billion for direct recapitalisation 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 programmes assigned to it Within the scope of the fund the Federal Government provides measures with a budgetary impact of €353.3 billion and guarantees of €819.7 billion 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. 	<ul style="list-style-type: none"> The guarantee programmes of the federal states/state development institutions cover guarantee requirements of over €2.5 million 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 90%. <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. <p>Main sources of information</p> <ul style="list-style-type: none"> Federal Government: Protective shield for employees and companies: https://www.bundesregierung.de/breg-de/themen/coronavirus/milliardenhilfen-wegen-corona-1730386 Federal Ministry of Labour: Coronavirus: Labour 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



Other measures and sources	Customs Measures
<p>Year-end audits during the Corona pandemic</p> <ul style="list-style-type: none"> – The German Institute of Auditors (IDW) comments on questions regarding the year-end audit in times of the Corona crisis with technical advice – The Corona crisis must only be mentioned in the annual financial statements if the company is affected – In the assessment of the going concern, an audit opinion is generally possible if the assumptions regarding the effects of the Corona crisis on the company can be reconciled with available forecasts of the Federal Government, the German Council of Economic Experts etc. In addition, any necessary applications for loans/further liquidity assistance in the context of the corona crisis must be submitted with the liquidity planning. 	<p>Duty relief</p> <ul style="list-style-type: none"> – Free deliveries (donations) to institutions responsible for the medical care of the Covid-19 risk groups (e.g. hospitals and old people's homes) are exempt from import duties. EU-Code C26 to be stated on customs declaration. – Regarding the importation of items for disaster victims of the COVID-19 pandemic crisis, e.g. medical, surgical and laboratory equipment for emergency treatments, Customs has implemented a fast track to accelerate the importation. The importers should use a special code in the customs declaration called 9DFA "<i>Einfuhr von medizinischen Hilfsgütern aufgrund der Corona-Situation</i>" <p>Customs clearance</p> <ul style="list-style-type: none"> – Customs declarations can be submitted in advance (before the goods are presented to the customs authorities) through ATLAS IT-Service in order to ensure a faster clearance. – Possibility to apply for a suspension of enforcement measures. <p>Payment facilities</p> <ul style="list-style-type: none"> – Possibility to defer the payment of taxes collected by the customs authorities (e.g. import VAT, energy tax and air traffic tax). (Effective - until 31. December 2020) – Possibility to adjust the prepayment of taxes. (Effective - until 31. December 2020) – Postponed deadline for the submission of annual quota notification on greenhouse gas until 15th of June 2020



Other measures and sources

Main sources of information

- 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 Labour 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 Stabilisation 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.bmjbv.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 Labour 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 Stabilisation 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.bmjbv.de/SharedDocs/Pressemitteilungen/DE/2020/022320_GE_Corona.html
- Federal Ministry of Finance: Start-Up Economic aid: <https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2020/04/2020-04-01-PM.html>
- German customs authorities (official website)

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As of 22 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>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 22 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

Additional tax relief measures were enacted at the end of March 2020 to address the effects of the coronavirus (COVID -19) pandemic.

- Legislative Act 30.03.2020/2020 includes provisions to support businesses economically affected by the COVID-19 crisis by providing, in part, for:
 - A financing program that allows for a refund (fully or partially) of advance payments of tax.
 - A 25% reduction of assessed liabilities on installments of tax payments that are due between 30 March 2020 through 30 April 2020 (value added tax (VAT) and withholding taxes are not eligible for this 25% reduction).
 - An automatic suspension of certain tax and social security liabilities.
 - A suspension of tax audits and related deadlines; the statute of limitations that would apply during the period from 30 March through 31 May 2020 is extended to 31 July 2020.
 - An exemption from VAT for donations of goods made to the Greek government in support of the efforts against COVID-19.

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 (ΚΑΔ)

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

Other employment relations' regulations

- 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:
 - 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.

Other measures and sources

Main sources of information

- Greece: Tax measures in decrees, response to coronavirus (COVID-19):
<https://home.kpmg/us/en/home/insights/2020/03/tmf-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/tmf-greece-tax-payment-extensions-tax-relief-measures.html>

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As of 22 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>
<ul style="list-style-type: none"> — Deferral of Commercial TRP — Providing a means for applying for the deferment of Tax on Real Property (TRP) until July 2020. — The decision has been taken for the time being to exclude professional services and regulated finance businesses. 	<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 — Coronavirus Payroll Co-Funding Scheme — 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; - 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.



Employment-related measures (continued) (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)
<p>Small Businesses and Self-employed Grant</p> <ul style="list-style-type: none"> — 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: <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. <p>Loan Guarantee Scheme</p> <ul style="list-style-type: none"> — 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 22 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...)

Social security

- Modified social security rules shall be applied for the period of March-June 2020 to the following sectors:
 - 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:
 - 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.

Simplified lump-sum taxation amendments

- 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.
- New surtaxes apply and will be levied on credit institutions and the retail sector as part of the government's response to the coronavirus (COVID-19) pandemic.

Surtax on credit institutions

- The surtax to be levied on credit institutions (published in Decree 108/2020. (IV. 14.) on 14 April 2020) has an effective date of 1 May 2020.
- Based on this decree, due to the COVID-19 pandemic, credit institutions will be required to pay surtax in the 2020 tax year. They will be required to declare the amount of the surtax on a separate form by 10 June 2020 and to pay the amount of the surtax in equal instalments by 10 June, 10 September and 10 December 2020.
- The base of the surtax is the amount of the adjusted balance sheet total exceeding HUF 50 billion (the adjusted balance sheet total will be based on the data of the annual report for the second tax year preceding the given tax year). The tax rate is 0.19%.
- Taxpayers can elect to reduce their computed tax liability by a portion of the amount paid as team sport subsidies (determined pursuant to the corporate income tax law) if that amount has not yet been used as a base of tax allowance for corporate income tax purposes (the reduction must not exceed 50% of the extraordinary surtax liability).
- Based on a press release from the Ministry of Finance, an amendment to the surtax could be forthcoming. That change would allow credit institutions to deduct the amount of this surtax from their usual surtax on financial institutions in equal instalments over the next five tax years.

Retail surtax

- The surtax on the retail sector has an effective date of 1 May 2020. The new retail surtax is comparable to the "crisis tax" that applied in 2010-2012, although some aspects of the retail surtax are more extensive in that it applies to more than just domestic retailers—it also applies to foreign retailers in certain circumstances. The following retail activities will be subject to the surtax:
 - Retail sale of motor vehicles and motorcycles, parts and accessories (TEÁOR 45.1, 45.32, 45.40 with exceptions).
 - Any other retail sale, including sales in non-specialised shops (e.g., stalls and markets), or made by mail order houses or through the internet (TEÁOR 47.1-47.9).



| Europe - Countries from H to O | Hungary



Hungary (2/2)

As of 22 April 2020

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
<ul style="list-style-type: none"> Foreign persons and entities that do not have a Hungarian branch office also can be subject to the surtax for goods sold to their customers through a delivery point located in Hungary. The basis of the retail tax is the net sales revenue deriving from the taxable activities or in case of foreign taxpayers, the net sales price increased by the income derived from services provided by the taxpayer to the supplier of the goods sold, or the discount provided by such suppliers. The rate of the retail tax is as follows: <ul style="list-style-type: none"> 0% up to a tax base of HUF 500 million 0.1% to a tax base between HUF 500 million and HUF 30 billion 0.4% to a tax base between HUF 30 - HUF 100 billion 2.5% to a tax base exceeding HUF 100 billion Related parties (as defined under the corporate income tax) are to calculate their retail tax liabilities jointly as a group, provided that the related-party status exists as a result of a legal transformation (demerger, spin-off) completed after the effective date of the decree, or if the taxpayer transfers or leases its assets necessary for the retail activity to a related party. Group taxation does not apply if the parties can prove that the transactions were conducted for "pure economic reasons" and not with the aim of avoiding taxation. Taxpayers must declare and pay a tax advance by 31 May 2020, and subsequently pay advances of the tax in each month during the state of emergency period, by the last day of the given month. The amount of the advance is calculated as one-twelfth of the annual tax base determined on the basis of the organization's latest available annual report, or absent that, its estimated annual tax base of the current year. The monthly advance may be proportionally reduced upon a separate request of the taxpayer filed with the tax authority, in instances when the monthly taxable income does not reach at least 60% of the taxable income realized in the same month of the previous year. Annual tax liability for the tax year including 1 May 2020 is to be determined on the basis of the annual taxable income realized in the tax year, whereas the tax on that basis is to be calculated pro-rata according to the number of days falling within the state of emergency period as from 1 May 2020. The year-end tax return is to be filed within 30 days following either the end of the state of emergency period, or the financial year-end—whichever occurs first. 	<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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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. On March 30, 2020, the Icelandic Parliament passed two different legislative acts as relief measures in response to the coronavirus (COVID-19) pandemic. The first of the two legislative acts is intended to mitigate the economic effects of the coronavirus. The second is a supplementary budget act.

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

- Employers can elect to postpone the payment deadlines of up to three payments of social security tax and withheld public levies at source that fall due between 1 April 2020 and 1 December 2020.
- The payment deadline for all postponed payments will be 15 January 2021. As such, the payment deadline for social security tax and public levies which had already been postponed from 1 March 2020 to 1 April 2020, will be extended further until 15 January 2021.
- There are conditions to be satisfied to invoke the right to the postponement, such as substantial operational difficulties in 2020 due to immediate and unforeseen loss of income, directly or indirectly caused by the COVID-19 outbreak (among other conditions).
- Similarly, and subject to conditions, payers of real estate taxes on business property can postpone up to three tax payments.
- The Minister of Finance and Economic Affairs has been authorized to issue regulations to reduce or suspend the prepayment of income tax for the income of 2019, and there may be a new payment deadline for prepayments.
- Currently the deadlines for value added tax (VAT) are not being postponed. However, there are guidelines indicating that the Icelandic tax authorities will not impose penalties if VAT payments are not made before the deadline on 6 April 2020, for the reporting period of January and February 2020.

VAT – "Everybody to work"

- Persons and entities building, renovating or maintaining residential housing or vacation home can seek reimbursement for 100% of the VAT incurred due to certain craftsman labor. The reimbursement rate has been increased from 60% to a 100% and now includes more types of labor, for example architects.
- The VAT reimbursement also applies to VAT incurred by non-profit entities, such as charities, sports clubs and rescue units due to certain craftsman labor on construction sites, building, renovating or maintaining structures that are entirely in their possession.
- Reimbursements are also available for 100% of VAT incurred due to the following services: Car repair. Individuals can claim 100% reimbursement of VAT incurred due to car repair or car painting on civilian cars. Home care. Owners and renters of residential housing can claim 100% reimbursement of VAT incurred due to home care.



Economic stimulus measures

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

Bridge loans to companies

- If certain conditions are met, companies will be able to apply for bridge loans to withstand the effects of the global outbreak. The government will guarantee 50% of such loans and it is expected that the government's maximum total liability for such loans will be ISK 35 billion.
- It will be in the hands of the financial institutions that issue the loans to decide which companies can receive guaranteed loans. The loans will need to fulfill certain conditions and be intended to fund business operations.
- The conditions for the guarantees are as follows:
 - The guarantees will only apply to new loans to companies who have experienced a 40% loss in revenue between years. The operational difficulties must also have been sudden and unforeseen, and the company must be viable to continue profitable operations after the coronavirus outbreak has passed.
 - Financial institutions must have taken other conventional actions to assist the company before resorting to government guaranteed loans.
 - There will be a limit to the loan amount to each company. It is expected that the limit will be equivalent to double the labor cost of the company for the previous year.
 - The financial institution must take into consideration their own limitation of liability when deciding the loan agreement terms.
 - The guarantee will be revoked after 18 months.
 - The loans will only be limited to companies whose labor costs are at minimum 25% of their total operating expenses for the previous year.
 - Utilization of the loan amounts may be limited to labor costs, operating resources and rent.
 - The extent of the guarantees will be divided in the following way: (a) companies with fewer than 20 employees; (b) companies with 20–100 employees; (c) companies with 100–250 employees; and (d) companies with more than 250 employees.
- In addition to these conditions the minister is expected to appoint a committee to supervise the lending process. The committee will have the power to call for information and documents regarding the lending from the Central Bank of Iceland as well as the financial institution involved. The committee shall report to the Minister every six months, starting on 1 November 2020, or immediately when they spot problems in the lending process. The minister shall submit the committee's reports to Parliament.
- Additionally, it was brought up in the budget committee's opinion that companies who receive bridge loans should not be allowed to pay dividends to shareholders or buy back own shares while the loan is outstanding. The opinion is consistent with the legislative change made to the Act on Government Guarantees. Majority of the budget committee also suggested putting in place limits on the amounts of individual loans and prohibiting the financial institutions providing the loans from paying dividends to their shareholders while the guarantees are in effect.

Investment campaign

- The Minister of Finance has been given authority to implement an investment campaign in order to mitigate recession in the economy.

Easier imports

- All customs fees for ships and planes outside normal business hours are eliminated until 31 December 2021.
- Everyone who has been awarded postponed payment deadlines for import fees will now pay the fees on the fifth day of the second month from the end of each reporting period. This change entails that import fees incurred during the reporting period of March – April shall have a payment deadline of 5 June instead of 15 May. The payment deadline is therefore postponed by 20 days.



Employment-related measures (e.g. state compensation schemes, training...)		Other measures and sources
<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. 	<ul style="list-style-type: none"> 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. The amount of the unemployment benefits awarded to each person shall be calculated based on the limit of income-based unemployment benefits, ISK 456.404 in proportion with the employment rate decrease The total sum of the benefits, plus the salary maintained by an employee shall never exceed ISK 700.000 or 90% of the employee's average total salary for the last three months before the application for the benefits is filed. <p>Self-employed individuals</p> <ul style="list-style-type: none"> If self-employed individuals experience recession due to the COVID-19 outbreak they can apply for temporary suspension of their business operations with the Icelandic Tax Authority (form RSK 5.02) and subsequently apply for unemployment benefits. Self-employed individuals do not have to file for the termination of their business operations to apply for benefits as they used to before the new laws took effect 	<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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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*(e.g. payment deferrals, rate reductions...)***The relief concerns value added tax (VAT) and “pay as you earn” (PAYE) obligations, such as:**

- Interest on late payments of January/February and March/April VAT and February, March and April PAYE liabilities are to be suspended.
- Irish Revenue have suspended audit and other compliance intervention activity on taxpayers’ premises until further notice. Where possible, Revenue will seek to finalize any open investigations online or via phone.
- 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%.
- Irish Revenue has also announced expedited payment of any instalments of excess R&D tax credits due to be paid in 2020

Filing/Payment Deadline Extension

- Tax returns must be sent on time regardless of businesses experiencing temporary cash flow difficulties.
- Revenue have committed to working with taxpayers where they have difficulty in meeting payment obligations and will waive interest for certain taxes as well as debt enforcement proceedings for a defined period of time.
- The current tax clearance status will remain in place for all businesses over the coming months.

Corporation Tax and presence in the State or outside the State resulting from COVID-related travel restrictions

- Where an individual is present in Ireland and that presence is shown to result from travel restrictions related to COVID-19, Irish Revenue announced that they will be prepared to disregard such presence for corporation tax purposes for a company in relation to which the individual is an employee, director, service provider or agent.
- In addition, and where relevant, if an individual is present in another jurisdiction as a result of COVID-related travel restrictions, and would otherwise have been present in Ireland, Irish Revenue will be prepared to disregard such presence outside Ireland for corporation tax purposes for a company in relation to which the individual is an employee, director, service provider or agent.
- The individual and the company should maintain a record of the facts and circumstances of the bona fide relevant presence in the State, or outside the State, for production to Revenue if evidence that such presence resulted from COVID-related travel restrictions is requested.



General Information

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Employment-related measures

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

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. All companies, including SMEs, are able to avail of the scheme. The key features of the scheme include:

- 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%.

Other income support measures for employees and self-employed persons.

- In addition to the “Temporary Covid-19 Wage Subsidy Scheme” the government announced some further enhanced income support measures, including:
 - 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 either been told to self-isolate or have been diagnosed with COVID-19 of €203 has also been increased to €350 per week.
 - Relaxation of some of the rules in relation to Benefit in Kind treatment of company cars



| Europe - Countries from H to O | Ireland



As of 22 April 2020

Customs Measures	Other measures and sources
<p>Import</p> <ul style="list-style-type: none"> Irish Revenue has announced that critical pharmaceutical products and medicines will be given "green routing" status for customs purposes in order to ensure an uninterrupted importation and supply process during the pandemic. In response to an EU Commission Decision (C (2020) 2146 of 3 April 2020) providing for the importation of goods to combat the effects of COVID-19 from outside the European Union (EU) without the payment of Customs Duty and Value-Added Tax (VAT) from 30 January 2020 to 31 July 2020, Irish Revenue have introduced a relief from the payment of import duties and VAT for goods imported to combat the effects of COVID-19, subject to certain conditions. Irish Revenue have put in place a mechanism for refunding duty/VAT paid on goods imported to combat the effects of COVID-19 since 30 January 2020. <p>Import/export Declarations</p> <ul style="list-style-type: none"> Given the current COVID-19 restrictions in place, a scanned copy of original documents submitted through Revenue's online system, MyEnquires, will be accepted in the clearance of consignments. The original must be retained by all declarants and made available for inspection by Customs if requested or during a post-clearance check. <p>Payment facilities</p> <ul style="list-style-type: none"> Debt enforcement activities have been suspended. In addition interest on late payments of VAT is suspended for January/February 2020 VAT returns for those in the SME sector, broadly those with less than €3million turnover. Experience of other client cases shows Revenue willingness to facilitate deferrals or phased payments of VAT liabilities due, Irish Revenue have extended the suspension of charging interest on late payments of VAT for March/April 2020 VAT returns for those in the SME sector. <p>Customs audits</p> <ul style="list-style-type: none"> Irish Revenue have suspended audit and other compliance intervention activity on taxpayers' premises until further notice. Where possible, Revenue will seek to finalize any open investigations online or via phone. <p>Customs authorisations</p> <ul style="list-style-type: none"> Authorisations due for the renewal of existing Customs Special Procedure Authorisations in March and April have been extended to 31 May 2020. (Effective until 31 May 2020) <p>Excise</p> <ul style="list-style-type: none"> Relief from Excise Duty (Alcohol Products Tax) for the manufacture of hand sanitizer products <p>Vehicle Registration</p> <ul style="list-style-type: none"> Vehicle Registration Tax appointments have been cancelled from 28 March until further notice. Penalty mitigation procedures are introduced as result of being unable to register vehicles for VRT purposes. <p>KPMG Ireland has a dedicated website providing a range of practical guides and support to help businesses manage the impact of Covid 19</p>	<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 Irish Revenue: https://www.revenue.ie/en/corporate/communications/covid19/index.aspx More information on the wage subsidy scheme can be accessed through this https://home.kpmg/ie/en/home/insights/2020/03/covid-19-wage-subsidy-scheme-further-guidance-from-revenue-people-services.html https://www.revenue.ie/en/corporate/communications/covid19/compliance-with-certain-reporting-and-filing-obligations.aspx Irish Revenue, 30 March 2020: https://www.revenue.ie/en/corporate/communications/covid19/compliance-with-certain-reporting-and-filing-obligations.aspx Irish Revenue, 23 March 2020: https://www.revenue.ie/en/corporate/communications/covid19/relief-from-excise-duty-for-the-manufacture-of-hand-sanitiser-products.aspx Irish Government, 19 March 2020: https://www.gov.ie/en/publication/bc8d47-covid-19-briefing-government-measures-and-initiatives-business-and-e/ Ongoing: https://home.kpmg/ie/en/home/insights/2020/03/covid-19.html

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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

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

- 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.

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

- 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).

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

- 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.

Other measures and sources**Main sources of information**

- Isle of Man Government – Coronavirus: <https://covid19.gov.im/>

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As of 22 April 2020

General Information

A "liquidity decree" (released 8 April 2020) includes measures that are intended to assist businesses by providing loan guarantees, government assumption of non-market risks, and certain targeted tax relief.

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.
- The Italian Revenue Agency on 12 March 2020 announced the suspension of all formal audits of tax returns and other audit, assessment, inspection, collection and litigation actions—if these actions involve no imminent deadlines (or have already been suspended by law).

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As of 22 April 2020

Tax measures – Direct and Indirect (continued)*(e.g. payment deferrals, rate reductions...)***Tax relief included in “liquidity decree” (COVID-19)**

A “liquidity decree” (released 8 April 2020) includes measures that are intended to assist businesses by providing loan guarantees, government assumption of non-market risks, and certain targeted tax relief.

Deferral of tax and social security payments (Article 18)

- There is a respite period for the payment of WHT on the pay of employees and equivalent workers, VAT, social security and welfare contributions, and INAIL insurance premiums. Payments falling due in April and May 2020 can be paid in a lump sum by 30 June 2020, or in five instalments starting from June, without any interest or penalties. This rule applies to:
 - businesses with revenues of up to EUR50 million, if their turnover has fallen by at least 33 percent in March and April 2020, compared with the same months last year;
 - businesses with revenues of more than EUR50 million, if their turnover has fallen by at least 50 percent in March and April.
 - In the case of businesses whose tax residence, registered office or place of business is in the province of Bergamo, Brescia, Cremona, Lodi or Piacenza, the deferral of VAT payments for April and May is subject to one condition only: they must have suffered a fall in turnover of at least 33 percent, irrespective of revenues

Advance instalments falling due in June (Article 20)

- Underpayments of advance instalments of IRPEF, IRES and IRAP will not trigger any penalties or interest, provided that the difference between the payment and the amount due is not more than 20 percent.

Extension of payment deadline (Article 21)

- Payments to the public administration, falling due on 16 March 2020 and, as per article 60 of Law Decree no. 18 of 17 March 2020, deferred until 20 March 2020 will be considered punctual if made by 16 April 2020.

Simplification of the payment of stamp duty on invoices (Article 26)

- The payment of stamp duty has been deferred to: — 20 July 2020, in the case of stamp duty for the first quarter of 2020, amounting to less than EUR250; — 20 October 2020, in the case of stamp duty for the first and second quarters of 2020, totaling less than EUR250.

Tax credit for the purchase of workplace PPE (Article 30)

- The tax credit for sanitization costs has been extended to include the costs of purchasing PPE, the costs of purchasing and installing other safety equipment to protect workers from accidental exposure to biological agents or to ensure that people are at a safe distance from one another, and the costs of hand cleansers and disinfectants.

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.

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



Economic stimulus measures (continued) (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Temporary measures to help businesses remain liquid (Article 1)</p> <ul style="list-style-type: none"> — SACE, the Italian Export Agency, will guarantee bank loans made to large businesses, SMEs, contract workers and professionals, if they have used up their entitlement to access the SME Guarantee Fund. <p>Measures to support export, internationalization and investment by businesses (Article 2)</p> <ul style="list-style-type: none"> — A co-insurance system has been introduced. The state will assume 90 percent of the non-market risks (as defined in EU legislation) attached to the guarantees issued by SACE; the remaining 10 percent will be assumed by the company that receives the SACE-backed loan. <p>SME Central Guarantee Fund (Article 13)</p> <ul style="list-style-type: none"> — The SME Guarantee Fund has been bolstered. Up to 31 December 2020 it will issue guarantees – free of charge and securing amounts of up to EUR5 million – to businesses with no more than 499 employees. <p>Temporary capital reduction measures (Article 6)</p> <ul style="list-style-type: none"> — The rules of civil law that govern the reduction of share capital following losses have been lifted. <p>Temporary measures regarding shareholder loans (Article 8)</p> <ul style="list-style-type: none"> — The mechanism by which shareholder loans are repaid only after the claims of other creditors have been settled will not operate from the date on which the law decree comes into force and up to 31 December 2020. 	<p>All industrial and commercial activities suspended, response to coronavirus (COVID-19)</p> <ul style="list-style-type: none"> — 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. <p>Enhanced transparency in “listed companies” and disclosure requirements (COVID-19)</p> <ul style="list-style-type: none"> — 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 to determine that corporate governance operates efficiently and transparently. <ul style="list-style-type: none"> — 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/#/ — Italy: Tax relief included in “liquidity decree” (COVID-19): https://home.kpmg/us/en/home/insights/2020/04/tnf-italy-tax-relief-included-liquidity-decree.html



Customs Measures	Other measures and sources
<p>Export</p> <ul style="list-style-type: none"> — "As a general rule banning of exports of personal protective equipment (PPE) including invasive and non-invasive ventilation tools." — Export operation of the abovementioned products is possible only if it is available the MAECI (Ministry of Foreign Affairs and International Cooperation) authorization <p>Duty relief</p> <ul style="list-style-type: none"> — VAT exemption and duty free imports of:- Equipment used for research, diagnosis and medical treatment offered as a gift or purchased; - Goods intended to be donated to State bodies, approved charitable or philanthropic organizations, and rescue units; - Goods received in the framework of international relations." — VAT exemption and duty free import for PPE intended for:- Entities or organizations governed by public law and by other charitable or philanthropic entities;- As well as on goods imported for free circulation by the First Aid Units." — VAT exemption and duty free import for PPE and invasive and non invasive ventilation tool intended for: a) Regions and autonomous provinces;b) Local authorities;c) Public administrations and public bodies;d) Public hospital structures or accredited and/or included in the regional emergency network;e) Subjects who perform essential services and of public utility and/or public interest. Specific conditions and circumstances should be met in order to apply the benefits." — Specific conditions and circumstances should be met in order to apply the benefits. <p>Masks' supply</p> <ul style="list-style-type: none"> — Requisition of surgical masks and PPE (in import under certain condition). It should be noted that with Order of the Extraordinary Commissioner No. 6 dated 28 march 2020, PPE intended for the persons indicated in the Circular cannot be requisitioned. <p>Customs authorisations</p> <ul style="list-style-type: none"> — It is not possible to propose new AEO requests, approved exporter and an extension of the terms for re-export of goods bound to ATA Carnets except in cases of absolute necessity. <p>Payment facilities</p> <ul style="list-style-type: none"> — No suspension for post-clearance recovery of customs duties — Suspension of payment terms deriving from payment demands issued by collection agents (postponed to 30th June 2020) — Postponement of payments for holders of debit accounts <p>KPMG Trade & Customs Italy Approach</p> <ul style="list-style-type: none"> — Customs assistance to all the economic operators who are in need of assistance in order to perform urgent import operations of masks and other devices to be used to face the COVID-19 emergency. — The assistance is given for free, given the emergency situation. 	<p>Main sources of information</p> <p>Export</p> <ul style="list-style-type: none"> — "Italian Customs Authority Notice no 93201/RU dated 17th march 2020Italian Customs Authority Communication No. 92645 dated march 19th 2020" (With immediate effect and until further notice) — Italian Customs Authority Directorial Determination Prot. No. 101288 dated 27 march 2020 <p>Duty Relief</p> <ul style="list-style-type: none"> — "Italian Customs Authority Communication no 95863/RU dated 19 march 2020 " — "Italian Customs Authority Determination Directorial no. 101115 dated 27 march 2020 " — Order of the Extraordinary Commissioner No. 6 dated 28 March 2020 <p>Other</p> <ul style="list-style-type: none"> — Order of the Extraordinary Commissioner No. 6 dated 28 march 2020; Italian customs Authority website (Until the end of the state of emergency) — Italian Customs Authority Director Determination no dated 100430/RU — Italian Customs Authority Note no. 95986 dated 19th march 2020 (From March 25, until the end of the state of emergency)

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As of 22 April 2020

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)
Deferral of payment of Social Security contributions

- 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.

Deferral of payment of Goods and Service Tax

- 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.

Employment-related measures
(e.g. state compensation schemes, training...)
Coronavirus Payroll Co-Funding Scheme Phase I

- 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:
 - 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:
 - £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:
 - (- 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."

Coronavirus Payroll Co-Funding Scheme Phase II

- 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:
 - 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 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> <ul style="list-style-type: none"> — Where the Government, or a Government-owned company, is a landlord to a local business — 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



Kosovo

As of 22 April 2020

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

- The tax authorities in Kosovo have introduced measures to mitigate the impact of the COVID-19 pandemic. These measures include:
 - 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.

Other measures and sources**Main sources of information**

- 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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Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)
The government has announced the following measures:

- 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.

In general, through 30 June 2020, tax relief allows for:

- Postponement of current and overdue tax payments for companies in industries "most affected" by COVID-19, 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).
- Regulations issued March 24, 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. These tax relief measures were extended on March 26, 2020 to all companies—regardless of their industry sector, provided the companies meet certain criteria:
 - 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:
 - 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
- There are other criteria for a company to qualify for the downtime support—such as compliance with tax return submission rules, payment of outstanding tax liabilities, lack of identified major tax compliance breaches, etc. In assessing taxpayer applications for the postponement of tax payments, the tax authority will assess compliance with past tax payments and tax return submissions, how cooperative the taxpayer has been, and if there have been tax assessments raised following a past tax audit.



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 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/tmf-latvia-tax-relief-response-coronavirus.html — Latvia: Expanded tax relief for companies (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tmf-latvia-expanded-tax-relief-companies.html

| Europe - Countries from H to O | Liechtenstein



Liechtenstein

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- 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.
- 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.
- The deadline for this transmission of information is 31 March of the year in which data is to be exchanged for the first time.

Other measures and sources**Main sources of information**

- 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>



| Europe - Countries from H to O | Lithuania



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As of 22 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). — For individuals, the deadline for submitting the annual PIT return and tax payment deferred until July 1, 2020 (instead of May 4, 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) — The electronic version of the new tax return form GPM311 will not be released at least until April. 	<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://lrv.lt/en/news/eur-5-billion-for-public-health-and-the-national-economy

| Europe - Countries from H to O | Luxembourg

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As of 22 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>Remote working and cross-border workers:</p> <ul style="list-style-type: none"> The number of days that cross-border employees can work from home without being taxed by their home country are found in the Double Tax Treaties and is limited. However, the Belgian and Luxembourg governments have announced that, in the case of a "force majeure" like Coronavirus, working from home days will not count towards the 24-day threshold. Where a neighboring country goes into quarantine, their resident's leave will not be taxed in the home country. 	<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

| Europe - Countries from H to O | Malta

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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.
- The Inland Revenue of Malta issued a deadline extension for FATCA and common reporting standard (CRS) reporting to 30 June 2020 for the 2019 reporting year.



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...)

EU Commission adopts State aid Temporary Framework

- 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.
- The Temporary Framework will enable Member States to:
 - 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.
- 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).

Eurogroup statement on COVID-19

The Eurogroup released a statement on the outcome of the discussions and highlighted the following proposed coordinated response measures:

- 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:
 - 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.

Measures aimed towards the Economy in general

- €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.



As of 22 April 2020

Customs Measures	Other measures and sources
<ul style="list-style-type: none"> — A number of processes will start being carried out electronically including: <ul style="list-style-type: none"> - Uploading and accessing all documents related to imports in the National Import and Export Systems. Prior to COVID-19, such system was planned to be implemented in Q3 of 2020. This measure applies both for the case of full load containers as well as groupage consignments transported by sea; - The processing of transit documents (T1), inward and outward applications, end-use and temporary admission (TA) and other procedures related with export consignments (by email to specialprocedures.customs@gov.mt). — Freeport terminal gate passes will be processed electronically (applications at gatepass.customs@gov.mt). (Effective from 23rd March 2020, mandatory from 1st April 2020) — Authorization of Fuel Stores for vessels will be made electronically 	<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



Customs Measures	Other measures and sources
<p>Customs formalities</p> <ul style="list-style-type: none"> — A number of processes will start being carried out electronically including: <ul style="list-style-type: none"> - Uploading and accessing all documents related to imports in the National Import and Export Systems. Prior to COVID-19, such system was planned to be implemented in Q3 of 2020. This measure applies both for the case of full load containers as well as groupage consignments transported by sea; - The processing of transit documents (T1), inward and outward applications, end-use and temporary admission (TA) and other procedures related with export consignments (by email to specialprocedures.customs@gov.mt). — Freeport terminal gate passes will be processed electronically (applications at gatepass.customs@gov.mt). (Effective from 23rd March 2020, mandatory from 1st April 2020) — Authorization of Fuel Stores for vessels will be made electronically <p>Customs formalities</p> <ul style="list-style-type: none"> — The Maltese Customs Department announced that excise duty payments for commodities that are due in April/May 2020 will be deferred by two months as follows: <ul style="list-style-type: none"> - Payments due on 15th and 26th April will be deferred to 15th and 28th June respectively; - Payments due on 15th and 31st May will be deferred to 15th and 26th July respectively 	<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 22 April 2020

**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.

A decree (published in the Montenegro 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.
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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/tmf-montenegro-tax-relief-includes-delayed-filing-payment-dates-covid-19.html>

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- 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...)
<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



Customs Measures	Other measures and sources
<p>EU definition of exporter</p> <ul style="list-style-type: none"> The Dutch Customs has postponed the new definition of exporter, due to the corona crisis. After 1 April, a non-Union company is still allowed to be mentioned as exporter in the export declaration. (Effective until 15 days following the month in which the overall corona measures in the Netherlands are terminated) <p>Payment facilities</p> <ul style="list-style-type: none"> Companies can request for a payment extension with respect to customs duties and excise (including those applicable on non-alcoholic beverages) (Effective until 15 days following the month in which the overall corona measures in the Netherlands are terminated) Dutch Customs will not impose penalties if companies do not comply with customs obligations on time, as a result of the corona crisis Immediate action required for deferment of payment of customs duties arisen in March 2020. Entrepreneurs can request Dutch customs deferment of payment of import duties when they are experiencing serious social or economic difficulties caused by COVID 19. In many cases this is an action to be taken by the importer. A joined message by the federations FENEX/TLN, evofenedex and VNO-NCW is published today. <p>Duty relief</p> <ul style="list-style-type: none"> Special exemption for the import of personal protective equipment <p>Customs authorisation</p> <ul style="list-style-type: none"> Companies can request for tailor-made solutions if they are unable to meet the solvency requirements of an AEO authorisation, the customs representative authorisation or the reduction or waiver of the guarantee under a comprehensive guarantee authorisation. The period for current applications for authorisations that cannot be properly completed due to the coronavirus will be suspended. If a company has applied for the authorisation electronically, it should register the extension in the European Application System 'CDS' (Customs Decisions System). Tailor-made solutions are available for companies that are in urgent need for a specific customs authorisation. <p>Export restrictions</p> <ul style="list-style-type: none"> Export restrictions for personal protective equipment (only permissible if companies have an export license). <p>Other measures</p> <ul style="list-style-type: none"> Companies can request for tailor-made solutions if they cannot meet the strict statutory deadlines, such as the submission of supplementary customs declarations (monthly declaration). Companies are advised to submit administrative appeals or refunds and emission requests on a pro-forma basis. Circumstances will be taken into account when statutory deadlines are missed. The failure to meet the statutory deadline for transit procedures as a result of the corona measures will be treated as an excusable delay. 	<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"> Dutch Customs authorities' Notice of 23 March 2020 Dutch Customs authorities' Notice of 26 March 2020 Dutch Customs authorities' Notice of 26 March 2020 (separate notice) Dutch Customs authorities' Notices of 19 and 25 March 2020 <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/corona-virus-kabinet-neemt-pakket-nieuwe-maatregelen-voor-banen-en-economie & https://www.rijksoverheid.nl/actueel/nieuws/2020/03/31/nw-regeling-klaar-loketten-bijna-open Association of banks: https://www.nvb.nl/nieuws/banken-geven-bedrijven-extra-lucht-half-jaar-uitstel-van-aflossingen

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As of 22 April 2020

Updated

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.

In addition, the Norwegian Ministry of Finance announced a three-month extension of the deadline for filing corporate income tax returns for the fiscal year 2019, as a relief measure in response to the coronavirus (COVID-19) pandemic. The deadline for filing corporate income tax returns for 2019 has been extended to 31 August 2020 (from 31 May 2020). According to the Ministry of Finance, there will be no further extensions.

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 (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	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 NOK 599 148. 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



Customs Measures	Other measures and sources
<p>Customs clearance</p> <ul style="list-style-type: none"> — The Customs Authorities states that freight transport is operating as normal and no limits have been closed for this. It is stated that all transport of goods, imports and exports, which does not involve the carriage of passengers, shall be as normal on road, train, ship and aircraft. Airports, ports and border crossings are kept open for such traffic. (Effective 15.03.20) — As a result of the outbreak of corona, a temporary customs regulation has been adopted today. New regulations apply to business operators who use direct driving. The deadline for submitting a completed declaration is extended from 10 to 30 days (Effective 20.03.20) <p>Duty relief</p> <ul style="list-style-type: none"> — Import of emergency consignments. (Effective 27.03.20) — Import of emergency consignments with contamination equipment and other medical supplies in connection with the corona eruption is permitted without collection of customs duties and import VAT. (Effective 27.03.20) <p>Export restriction</p> <ul style="list-style-type: none"> — Requirement for permission to export personal infection control equipment. Norway has adopted the same requirements as the EU. Export permit requirements do not apply to exports to the EU and EFTA countries. From today, an export permit from the Directorate of Health is required to export personal contamination equipment. The ban is limited to mouthwashes, goggles, disposable gloves and protective suits. It is allowed to export without authorization to the EU (including the United Kingdom) and the EFTA countries, as well as the Faroe Islands, Andorra, Monaco, San Marino and the Vatican City. The export permit requirement applies until further notice. <p>Health certificate</p> <ul style="list-style-type: none"> — Exemptions for plant health certificate for certain fruits and berries. For a period, the Norwegian Food Safety Authority may grant an exemption. On application, the Norwegian Food Safety Authority may grant exemption for plant health certificate upon importation of certain fruits and berries. If you have been granted an exemption, please state this in section 44 of the Customs declaration by quoting the code ""P2"" and the reference to the decision. Effective (31.03.20) <p>— Proof of origin</p> <ul style="list-style-type: none"> — Certificate of movement EUR. 1 can be sent to Tvo.Oslo@toll.no for stamping The Customs Agency recommends exporters / forwarders not to come to our dispatches to get stamped goods certificates EUR 1 during these Corona times. Exporters / freight forwarders are advised to use the declaration of origin (invoice declaration) to the greatest extent possible Effective (31.03.20) 	<p>Main sources of information</p> <ul style="list-style-type: none"> — Norwegian Customs Authorities

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As of 22 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.

On 8 April 2020, the Polish Sejm adopted an additional package of legislative laws related to Anti-Crisis Shield for which the Polish Senate issued dozens of amendments of which nearly half was approved by the Polish Sejm on 17 April 2020.

Also on 8 April 2020 the Polish Government announced a new Anti-crises program called the Financial Shield which has yet to be approved by the parliament.

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 deferment 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...)	Employment-related measures (e.g. state compensation schemes, training...)
<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>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%.



Employment-related measures (continued) (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)
<ul style="list-style-type: none"> 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>On 8 April 2020, the Polish Sejm adopted an additional package of legislative laws related to Anti-Crisis Shield (so-called Shield 2.0) for which on 17 April 2020, Polish Sejm approved additional amendments proposed by the Polish Senate.</p> <p>The key changes related to employment issues comprised:</p> <ul style="list-style-type: none"> Exemption of 50% from social security contributions for up to 3 months period for owners of enterprises employing from 10 to 49 people (previously granted to micro-enterprises only) Social cooperatives and sole proprietorship will be exempt from the social security contributions regardless of their's number of employees or revenues, respectively Payment of a "work suspension benefit" may be granted up to three times (previously one-off support). Next payments may be granted in the months following first payment, provided that financial situation of the beneficiary has not improved. 	<p>Anti-Crisis Shield proposals issued by the Office of Competition and Consumer Protection (UOKiK's) on 25 March 2020</p> <ul style="list-style-type: none"> 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: 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.



Economic stimulus measures

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

Lease during the pandemic – special new legal solutions

- Shopping malls and the entire retail sector are suffering huge losses due to COVID-19 pandemic. Since mid-March 2020, only some shops may operate in facilities above 2,000 square meters, including e.g. food, home-improvement and construction stores, and pharmacies. Catering and entertainment facilities have been closed also outside shopping malls.
- The above are only a few extraordinary changes introduced in the laws regulating the rental market. The government's bill of 25 March 2020 amending the Act on Extraordinary Measures for Preventing, Counteracting and Combating COVID-19, Other Infectious Diseases and Emergencies Caused by Them, and Certain Other Acts (the so-called 'Shield') provides for special regulations concerning:
 - Lease in shopping centers;
 - Lease of premises;
 - Lease of property from public resources.

Commercial lease in shopping malls

- In accordance with the bill, **in the period of the ban on operating** in commercial facilities with a sales area of more than 2,000 square meters, mutual obligations of the parties under lease contracts concerning these facilities are 'extinguished'.
- This means that for the entire period of the operation ban (from 14 March 2020), tenants affected by this ban are not required to pay any rent or maintenance fees, and landlords are not required to make premises available to tenants. The exemption of tenants from the obligation to pay rent and service charges is non-refundable and applies to the entire amount of rent and service charges (100%), for the entire period of the ban on business operations.
- Under the new regulations, irrelevant are the area of the leased premises, the amount of rent, the lifetime of the lease agreement or the status of the tenant.
- As transpires from the bill (albeit not explicitly), the exempted from payment of rent are only those tenants, to whom the ban on activity applies (and not all tenants).
- In order to take advantage of the exemption, the tenant should, within three months from the date of lifting the ban on business operations, submit to the landlord an offer to extend the lifetime of the agreement, on hitherto binding terms, for the duration of the ban, extended by six months. It seems that the legislator's intention was to give tenants the opportunity to decide whether they choose to "terminate" their leases, but with an extension of 6 months (under the current rules), or whether they prefer to continue paying rent, but then without an obligation to extend the contract.

- The exemption from rent does not apply to tenants operating in a) commercial premises with a sales area of less than 2,000 square meters, and b) other than commercial premises (e.g. office buildings). It seems that limiting the exemption only to tenants from the largest shopping malls may in practice mean that large chain tenants will become its biggest beneficiary.
- The 'Shield' permits the parties to the lease agreement to apply provisions of the Polish Civil Code – this means the possibility of taking advantage of the provisions on force majeure or fundamental change of circumstances (the possibility of avoiding liquidated damages / indemnity, the possibility of demanding a change of contract conditions, the possibility of refraining from paying the rent).
- The new regulations do not provide for any form of compensation or financial support dedicated to shopping malls deprived of rent, including in particular repayment holidays (most of the malls have been built thanks to a bank loans, which the malls have to repay regularly).

Regulations concerning all lease agreements – effective until 30 June 2020

- Extension of lease agreements concluded for a fixed period, which would expire after the shield enters into force,
- Prohibition to terminate tenant's lease agreements or to increase the rent.

Leasing of property from public resources

Proposals concerning the lease of premises owned by the State Treasury or local government units include, among others:

- a simplified procedure for cancelling or deferring rents, or enabling their payment in instalments,
- a simplified procedure for individual withdrawal of rent claims,
- the possibility for local government bodies (e.g. municipal councils) to adopt resolutions on the general grant of allowances, debt cancellation and waiver of debt recovery.



Economic stimulus measures

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

Additionally, the newly adopted Ani-Crisis Shield stipulated:

- Industrial Development Agency (ARP) will obtain from the Polish government up to PLN 1.7 billion through transfer of newly issued treasury securities
- The funds obtained by Industrial Development Agency will be primarily used to create a mechanism for refinancing lease contracts concluded by entrepreneurs, dedicated primarily to the transport sector and liquidity loans enabling support for the day-to-day operations of the companies with a 15-month grace period.
- Availability of loans for micro-enterprises that do not employ employees. To submit for the loan relief, the micro-company will have to operate for 3 months from the date of the loan. The estimated total value of loans available will amount to approximately PLN 9.6 billion of which up to PLN 8.7 billion may be forgiven.
- Reliefs in the repayment of the loans granted by BGK under the loan program „First Business - Startup Support”, including:
 - suspension of repayment of principal and interest installments for a period not longer than 6 months,
 - extension of the grace period by an additional period of up to 6 months,
 - extension of the repayment period by an additional period of up to 12 months,
 - reducing the interest rate on loans to 0% per annum for a period not exceeding 12 months.
- The option of renegotiating the terms of the bank loans by all entrepreneurs, regardless of their size
- Funds received by entrepreneurs in relations to preventing COVID-19 will be secured against enforcement (under civil proceedings, court bailiff or administrative enforcement).
- Availability of government's grants will also be available to companies established between 1 February and 1 April this year.

On 8 April 2020 the Polish government announced the Financial Shield - a new support program under the Anti-Crisis Shield, however respective legislative laws have yet to be adopted and approved by the parliament.

The aim of the program is to protect the labor market and support financial liquidity of the companies during the crisis.

The Financial Shield consists of three basic components with a total value of PLN 100 billion (i.e. approx. 4.5% of the Polish GDP) under which, the following support will be provided depending on the size of entities:

- PLN 25 billion support will go to micro-enterprises (i.e. companies employing from 1 to 9 employees with annual turnover or total assets less than EUR 2 million). Financing in the form of interest-free preferential loans supported by banks.
- PLN 50 billion support for small and medium enterprises (i.e. companies with 10 to 250 employees and annual turnover less than EUR 50 million or total assets below EUR 43 million). Financing in the form of interest-free preferential loans supported by banks.
- PLN 25 billion support for large enterprises (employing over 250 employees with turnover exceeding EUR 50 million or total assets above EUR 43 million). The financial support for large enterprises will be managed by the State owned Polish Development Fund (PFR) and provided in the form of:
 - loans or bonds for the period of 2 years (up to PLN 1 billion per entity)
 - preferential loans for the period of 3 years partially non-refundable (up to PLN 750 million per entity)
 - acquisitions of shares or stocks of underperforming entities on an arm's length basis or as part of public aid worth (up to PLN 1 billion per entity).
- The financing may be granted to the micro, small, medium and large entities that:
 - were operating before 31 December 2019
 - recorded decrease in sales revenues of minimum 25%
 - settled taxes for the last 2 financial years in Poland (if applicable) and have active status of Polish tax residence (or the beneficiary is obliged to transfer his tax residence to the territory of Poland within 9 months of granting the loan)
 - are not under bankruptcy, liquidation or restructuring proceedings
 - as at 31 December 2019 or as at the date of financing, the payments of taxes and social security contributions by entrepreneur were not delayed.
- Additional criteria to be taken into account while granting support to large enterprises are: lost ability to manufacture, provide services or the lack of components, services or resources in connection with COVID-19; no payments received for sales as a result of COVID-19 in excess of 25% of total receivable; no access to the capital market or credit limits in connection with new contracts due to disruptions in the functioning of the financial market; participation in Sector Programs organised by PFR.
- Up to PLN 60 billion of total support granted to all entities (i.e. up to 60%) is to be forgiven.



Other measures and sources

Coronavirus – extraordinary changes in court proceedings and the system of justice

- The Ministry of Justice has issued recommendations restricting the activity of courts and announced introduction of extraordinary changes in the law regarding court proceedings, time limits defined by substantive law and the system of justice. The new solutions are a response to the coronavirus spread.

Announcement by the Ministry of Justice on emergency legislation for the system of justice of 19 March 2020.

The Ministry of Justice has presented assumptions for the draft amendments to the Act of 2 March 2020 on extraordinary measures for preventing, counteracting and combating COVID-19, other infectious diseases and emergencies caused by them. The draft amendments and the explanatory memorandum were submitted to the Ministry of Development, which coordinates works related to the amendment of the above-mentioned law.

Extraordinary changes in court proceedings and the system of justice – main assumptions

- Suspension of all limitation periods defined by substantive and procedural law

Non-commencement or suspension of limitation periods:

- Time limits provided for by the civil law, whose observance is necessary for the grant of legal protection in court;
- Limitation periods for criminal offences and for execution of sentences for criminal offences, fiscal offences and petty offences, and in proceedings in petty offences cases;
- Procedural and court time limits in court proceedings, including administrative court proceedings, enforcement proceedings, criminal proceedings, penal and fiscal proceedings, proceedings in petty offences cases, administrative and enforcement in administration cases, as well as time limits in other proceedings conducted under the act.
- Support for commercial companies and cooperatives further amendments are aimed at enabling the governing bodies of cooperatives, housing communities and commercial law companies whose members may be quarantined. The amendments introduce the possibility to vote in writing or by means of distance communication.
- Official list of urgent cases the amendment specifies in detail the type of cases which are considered urgent and in which, exceptionally, hearings may be held. These include cases involving minors, domestic violence or pre-trial detention.

- Support for the courts under the amendment there is a possibility of delegating the performance of urgent tasks to another court and simplifying the procedures for delegating judges to another court.
- More penalties executable in electronic surveillance the draft also provides for amendments to the executive penal code, which significantly extends the use of the electronic surveillance system (ess). It is proposed to increase the upper limit of sentences or the amount of imprisonment, which determines the possibility of serving a prison sentence in the electronic surveillance system to 18 months (currently ESS is used for sentences of up to one-year imprisonment).

Announcement of the Ministry of Justice of 12 March 2020 on the operation of courts

- On 12 March 2020 the Ministry of Justice issued an announcement on the organisation of the work of courts: it is recommended that all hearings and public hearings scheduled from 13 to 31 March 2020 be postponed, except for the most urgent cases.
- Practical implementation of the recommendations is subject to a decision of the court president. According to publicly available information, the courts generally follow the Ministry's recommendations: on websites of most courts it was announced that all hearings and public hearings, except for the most urgent cases, were cancelled. In many courts, the possibility to use the reading room of court files has also been limited and limitations have been introduced in the operation of the Customer Service Office and the administration office.
- Apart from the above limitations, courts operate without changes, thus, it is possible to file claims, exchange pleadings, etc. The change in the organization of courts' work does not apply to proceedings in which no hearings are held, including registration and perpetual usufruct proceedings. Administrative proceedings also remain outside the scope of changes.



Other measures and sources

List of urgent cases

- The Ministry of Justice has provided the presidents of the courts with the so-called list of urgent cases, which are recommended to be tried in the emergency mode and excluded from the orders concerning the cancellation of hearings and meetings with the parties. These include, among others, cases related to the following:
 - Application and extension of provisional detention;
 - Imposition of a protective measure in the form of a stay in a secure hospital;
 - Applicability of the statute of limitations with reference to the punishability of the act or the execution of a sentence;
 - Execution of a european arrest warrant;
 - Hearing a person for the purpose of securing evidence, or in a situation where there is a threat that it will not be possible to hear a certain person at a trial.
- In commercial matters, in principle, all hearings are to be cancelled.
- The presidents of the courts may decide on other cases requiring urgent consideration.

What does cancellation of hearings mean in practice?

- The principle of open proceedings and the related obligation to conduct a hearing is one of the main principles of Polish procedural law. Most cases, including virtually all cases of greater importance, are obligatorily heard at a trial.
- The inability to hold hearings means that all civil, criminal and administrative cases in which the hearing is mandatory, i.e., the vast majority of cases, will be heard late. The court will be able to issue ordinances or orders in closed session in these cases, and the parties will be able to exchange pleadings, but it will not be possible to complete the proceedings – until the hearing is carried out and closed.
- According to public statements of the court presidents, hearings that are currently being cancelled will not be considered first in the future, but will be moved to the end of the queue – they will probably take place no sooner than a few months from the resumption of normal court work.

Other procedural effects brought about by the epidemic

- In the event where the above changes to the law announced by the Ministry of Justice on 19 March 2020 enter into force, all limitation periods and procedural dates will be suspended by virtue of law.
- In addition, there are arguments for considering that the state of epidemic emergency is a force majeure event, which entails the following effects:
 - Suspension of limitation period for claims due to force majeure
 - The limitation period for claims does not start and the commenced limitation period is suspended when, due to force majeure event (epidemic), the entitled person cannot enforce such claims in the court (article 121 sec. 4 of the civil code).
 - Permissibility of applying for reinstatement of the procedural time limit
- If a party to court proceedings without its fault (e.g. due to illness, quarantine, inability to return to the country, limited functioning of the post office, etc.) did not complete the procedural activity within the time limit, they may apply for reinstatement of a missed deadline. The application for reinstatement of the deadline must be submitted within 7 days of the cessation of the obstacle that caused the default, and simultaneously a procedural activity must be carried out.

Main sources of information

- 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>
- The Polish Development Fund Group: <https://pfrsa.pl/aktualnosci/tarcza-finansowa-pfr-dla-firm-i-pracownikow.html>
- Government of Poland: <https://www.gov.pl/web/tarczaantykrzysowa/100-mld-zl-trafi-do-firm-w-ramach-tarczy-finansowej>
- The Chancellery of the Prime Minister: <https://www.premier.gov.pl/wydarzenia/decyzje-rzadu/projekt-ustawy-o-szczegolnych-instrumentach-wsparcia-w-zwiazku-z.html>
- Government of Poland: <https://www.gov.pl/web/finanse/uzupelnienie-dzialan-tarczy-antykrzysowej>



Customs Measures	Other measures and sources
<p>Customs audits</p> <p>Suspension ex officio or on request:</p> <ul style="list-style-type: none"> — Tax proceedings or inspections; — Customs inspections. <p>Suspension may also be introduced by the Minister of Finance in a regulation specifying the territorial scope of suspension, types of proceedings and inspections as well as the period for which suspension occurs. The basis in this case will be the period of validity of the epidemic threat or epidemic status and the effects caused by them.</p> <p>The suspension period is not included in the dates of proceedings and inspections. (Not effective, draft proceeded by parliament)</p> <p>Duty relief</p> <ul style="list-style-type: none"> — Medical devices; — In-vitro diagnostic medical devices; — Laboratory glasswares and laboratory apparatus; — Medicinal products and active substances; — Disinfectants; — Specialized diagnostic tests; — Personal protection equipment. <p>If they are intended for purposes related to combating SARS-CoV-2 virus and donated to:</p> <ul style="list-style-type: none"> — Material Reserves Agency — Central Base of Sanitary and Anti-Epidemic Reserves — Entities performing medical activities entered in the relevant list <p>It is also necessary to conclude a written agreement between the taxpayer and this entity, which will determine how the goods will be used</p> <p>The reduced tax rate may also be used for the delivery of goods made in the period from 1st February 2020 to the date of entry into force of the Regulation.</p>	<p>Main sources of information</p> <ul style="list-style-type: none"> — The bill adopted by the lower chamber of the Polish parliament on March 28, 2020 — Regulation of the Minister of Finance of March 25, 2020

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As of 22 April 2020

General Information

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.

On March 17, the government announced a EUR 9.2 billion stimulus package. The government stimulus package consists of:

- 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

Tax measures – Direct and Indirect*(e.g. payment deferrals, rate reductions...)***Regarding tax matters, the deadlines for some tax obligations of companies have been postponed, including the following:**

- 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. Following the outbreak of COVID-19 in Portugal, the Portuguese government issued an Order to provide tax relief as well as to address other challenges that companies may encounter. Regarding tax matters, the deadlines for some tax obligations of companies have been delayed, including the following:

- 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.

The Portuguese government also announced measures to allow for flexibility on tax payments—including payments of corporate income tax, individual (personal) income tax, and value added tax (VAT)

On March 24 the State Secretary for Tax Affairs released an order which provides for:

- A postponement of the new Monthly Stamp Duty return, which should now only apply to operations and facts occurred from 1 January 2021 onwards
- Stamp duty settlement and payment obligations related to 2020 transactions are to follow the procedure available as of 31 December 2019. second quarter of 2020. Some of the measures will be subject to eligibility limitations.
- A VAT exemption applies with regard to "free of charge" supplies of goods made to the government, to private social institutions, and to non-governmental non-profit organizations, and applies even if the goods remain in the ownership of the entities.



Portugal (2/2)

As of 22 April 2020

Employment-related measures (e.g. compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Customs Measures	Other measures and sources
<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>Duty relief</p> <ul style="list-style-type: none"> Permission granted to the Portuguese state agencies or other philanthropic organisations to import protective equipment and relevant medical equipment on this COVID-19 pandemic situation with the exemption of payment of customs duties according to Articles 74 to 80 (material distributed free of charge to disaster victims) of Council Regulation (EC) 1186/2009 of November 2009, as well as the exemption of VAT payments on those products according to Articles 51 to 57 of Council Directive 2009/132/EC of October 2009 (transposed into domestic law through Articles 49 to 55 of Decree-Law no. 31/89 of 25 January). 	<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



Employment-related measures (e.g. compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
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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...)	Customs Measures	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>Duty relief</p> <ul style="list-style-type: none"> Exemption from Customs duties for certain products constituted as medical emergency stocks by the Emergency Department within the Ministry of Internal Affairs. <p>Payment facilities</p> <ul style="list-style-type: none"> Deferment for import VAT only for the goods intended to prevent and combat the spread of coronavirus COVID-1 Fiscal obligations due from 21.03.2020 and not paid within 30 days following the termination of the state of emergency will not be considered outstanding fiscal obligations. Consequently, the deadline for the payment of such "deferred" obligations is postponed to 16.05.2020 (16.04.2020 (end of emergency state) + 30 days). Even though technically this provision covers also customs duties, VAT and excise duties, at this moment there is no possibility to by-pass the payment of this taxes at the moment of importation and consequently to benefit from the aforementioned legal provision. 	<p>Main sources of information:</p> <ul style="list-style-type: none"> 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

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In accordance with the speeches of President Vladimir Putin (from 25 March, 8 April, 15 April 2020) the following measure are announced (some of them have been already adopted by the Government):

Support to the industries at risk (for small and midsize enterprises – SME)

The list of industries mostly hit by crisis is adopted by the Government and includes aviation, tourism, sport, culture and other industries

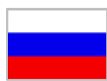
- Granting of financial assistance from the State to pay salaries
- A six-month delay for the payment of income tax for 2019; delay for the payment of taxes (excluding VAT, taxes paid as tax agents) for the first quarter of 2020 – for 6 months, for 2 quarter and first half – for 4 months
- Delay for social insurance contributions for the March-May period 2020 – for 6 months, for June-July period 2020 – for 4 months
- Measures allowing to restructure outstanding tax liability i.e. to repay it for a period of not less than one year after six-month delay
- Delay for the advance payment of transportation tax, property tax, land tax for the first quarter of 2020 (no later than 30 October 2020) and second quarter of 2020 (no later than 30 December 2020)
- Right to tax deferral (from 3 months to 1 year)/ instalment (from 3 to 5 years) regarding taxes, advance payments and insurance contribution that fell due in 2020 (excluding MET and excise duty). It also covers companies that are strategic, of system importance, city-forming (lists are adopted by the Government; list of companies of system importance will be amended) and hit by crisis. Companies are entitled to tax deferral/ instalment when at least one of the certain conditions is fulfilled (e.g. reduced earnings of 10%, losses.
- Introduction of a moratorium on inspections of SMEs, including tax, except for the issues that pose risks to life and health of citizens
- 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

Support to companies of system importance

- Introduction of preferential credit for replenishment of current assets

Support to business

- Granting of interest-free loans not only for small and midsize companies but also for large companies
- Additional financial assistance to regional budgets and more than RUB 23 billion to support aviation industry
- A three-month delay for submitting of tax returns (excluding VAT returns) for which the filing deadline is March-May 2020; delay for submitting of VAT returns and calculation of insurance contributions for the first quarter - until 15 May 2020
- A moratorium on tax audits until 31 May 2020 (inclusively)



Updated

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...)
<p>Support to business</p> <ul style="list-style-type: none"> — A moratorium to impose tax sanctions for tax offences committed from 1 March until 31 May 2020 (inclusively) — 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 million rubles (\$12,700), starting from 2021; — Increase to 15% taxation rate for dividends paid out from Russia to co-called transit jurisdictions (e.g. Cyprus – the process of changing the double tax treaty has already started); — Funds received by the state budget from these measures should be spent on the support of families, unemployed and sick people. — Cancellation of tax exemptions for interest income on state and regional treasury securities; — The Government of Russian Federation is granted a special power to adopt tax laws for a period of 01.01.2020-31.12.2020. 	<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. 	<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



Customs Measures	Other measures and sources
<p>Duty relief</p> <ul style="list-style-type: none"> Exemption from import customs duties for personal protective equipment, disinfectants, diagnostic reagents, certain types of medical equipment and materials. Effective until September 30, 2020. The relevant Decision of the Eurasian Economic Union shall enter into force on April 3, 2020 and shall apply to legal relations arising from March 16, 2020. <p>Customs audits</p> <ul style="list-style-type: none"> Commission of the prime minister: suspension of customs audits (planned on-site customs inspections) until 1 May 2020. With the exception of unscheduled inspections, the basis of which is harm to life, health of citizens, checks which result in the issuance of permits, licenses, etc. <p>Export</p> <ul style="list-style-type: none"> Temporary restrictions on the export of medical masks, gloves and goggles, biohazard suits, medical robes, antiviral medicines, gauze and some other products. Effective until June 1, 2020. 	<p>Main sources of information</p> <ul style="list-style-type: none"> http://government.ru/docs/39057/http://static.government.ru/media/files/odPVbEJwgG6QH0ryelXGwqAlBTnzjfMm.pdf http://customs.ru/storage/document_news/2020/03-27/AGjm7KYd/err_24032020_21(1).pdf.pdf http://government.ru/orders/selection/401/39205/

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As of 22 April 2020

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.
- The procedures and manner for the deferral of tax liabilities and social security contributions, as well as the form that large corporate entities will need to submit in requesting direct economic grants, will be prescribed by a special "rulebook" to be issued by the Ministry of Finance. The determination as to whether an entity is a large corporation will be based on 2018 financial statements. Entities that receive this direct aid cannot pay dividends until the end of 2020. Entities that were established in 2019 or 2020 will be considered to be small entities.
- The tax relief includes deferral of the payment of salary tax and contributions (on behalf of the employee and on behalf of the employer) on salaries for March, April, and May 2020. Entities that paid their March salary before 10 April 2020 (either in part or in full) may elect to defer payment of tax and contributions for April, May, and June 2020.
- Certain entrepreneurs will be able to defer paying their tax advance payments and contributions on self-employed income for the months of March, April, and May 2020 until 4 January 2021. Payment can be made in 24 equal monthly installments without interest.

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As of 22 April 2020

Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Fiscal Measures to support the economy</p> <ul style="list-style-type: none"> 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. <p>Measures by the National Bank of Serbia</p> <ul style="list-style-type: none"> 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. 	<p>Main Sources of information</p> <ul style="list-style-type: none"> Serbia: Tax relief, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-serbia-tax-relief-responding-to-coronavirus.html Serbia: Tax, economic relief measures (COVID-19): https://home.kpmg/us/en/home/insights/2020/04/tnf-serbia-tax-economic-relief-measures-covid-19.html



Customs Measures	Other measures and sources																																			
<p>— Temporary prohibition of export of good under tariff lines (From March 27, 2020. and for the period of 30 days):</p> <table><tr><td>1206 00 99 00</td><td>1512 19 90 00</td><td>1703 90 00</td><td>2102 10 31 00</td><td>2102 10 39 00</td><td>3401 11 00 00</td><td>3401 20 90 00</td></tr><tr><td>3401 30 00 00</td><td>3402 90 90 00</td><td>9619 00 81 00</td><td>9619 00 89 10</td><td>4818 20 10 00</td><td>4818 20 99 00</td><td>9004 90 10 00</td></tr><tr><td>6307 90 98 00</td><td>6307 90 92 00</td><td>4818 50 00 00</td><td>4818 90 10 00</td><td>4818 90 90 00</td><td>4015 90 00 00</td><td>4015 11 00 00</td></tr><tr><td>4015 19 00 00</td><td>6210 10 92 00</td><td>2828 90 00 00</td><td>3808 94 10 00</td><td>3808 94 20 00</td><td>3808 94 90 00</td><td>3402 12 00 00</td></tr><tr><td>2207 10 00 00</td><td>2207 20 00 00</td><td>2208 90 91 00</td><td>2208 90 99 00</td><td colspan="3">(baby wipes excluded from line 3401 11 00 00)</td></tr></table> <p>— Export ban on medicines. Medicines that are manufactured solely for the foreign market and medicines that are subject to re-export procedure by a foreign entity are excluded. (From March 16, 2020)</p> <p>Standards</p> <p>— Implementation of technical requirements and standards is suspended, under the specific conditions and with the approval from the Medicines and Medical Devices Agency. (From March 2, 2020)</p> <p>Border crossing</p> <p>— Closure of the all border crossing for passenger's entrance intro RS (From March 20, 2020)</p> <p>— Closure of the specific border crossing (From March 12, 2020)</p> <p>Payment facilities</p> <p>— Deadlines for filing appeals against first instance authorities and decisions by tax authorities have been extended, as is the case with deadlines for filing appeals against first instance assessments and decisions by customs authorities that relate to determination of liabilities for payment of import duties, their payment and collection. Deadlines have been extended for the period of 15 days following the date of lifting of the state of emergency. (From March 24, 2020)</p> <p>Duty relief</p> <p>— Alcohol classified under tariff line 2207 10 00 00 is exempt from customs duties (MFN rate is 30%)</p> <p>— Government bodies, local self-government bodies, public enterprises, public institutions, other non-profit organisations and associations, as well as domestic and foreign charities may receive donations and humanitarian aid exempt from customs duties and VAT</p>	1206 00 99 00	1512 19 90 00	1703 90 00	2102 10 31 00	2102 10 39 00	3401 11 00 00	3401 20 90 00	3401 30 00 00	3402 90 90 00	9619 00 81 00	9619 00 89 10	4818 20 10 00	4818 20 99 00	9004 90 10 00	6307 90 98 00	6307 90 92 00	4818 50 00 00	4818 90 10 00	4818 90 90 00	4015 90 00 00	4015 11 00 00	4015 19 00 00	6210 10 92 00	2828 90 00 00	3808 94 10 00	3808 94 20 00	3808 94 90 00	3402 12 00 00	2207 10 00 00	2207 20 00 00	2208 90 91 00	2208 90 99 00	(baby wipes excluded from line 3401 11 00 00)			<p>Main sources of information</p> <p>— Decision on Temporary Prohibition Against Exports of Basic Products of Importance for the Population(Off. Gazette of RS, no. 28/20, 33/20, 39/20, 41/20 and 43/20) “</p> <p>— Decision on Prohibition Against Exports of Medicines (Off. Gazette of RS, no. 32/20, 33/20 and 47/20)</p> <p>— Decree on Special Technical Requirements, Standards and Use of Medical Devices During the State of Emergency Arising from the COVID19 Disease Caused by the SARS-CoV-2 Virus (Off. Gazette of RS, no. 41/20)</p> <p>— Decision on closure of the all border crossing for entrance intro RS (Off. Gazette of RS, no. 37/2020)</p> <p>— Decision on closure of the border crossing (Off. Gazette of RS, no. 25/2020, 27/2020, 35/2020, 47/2020)</p> <p>— Decree on Application of Deadlines for Administrative Proceedings During the State of Emergency (Off. Gazette of RS, no. 41/2020 and 43/2020)</p>
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As of 22 April 2020

Updated**General Information**

On 10 April 2020 the „Corona Mega Package“ was published in the Official Gazette of the Republic of Slovenia which entered into force the next day. It amended some of the previously adopted measures and introduced the whole package of new ones. It is expected that subsequent packages of measures shall follow.

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

The measures include the following:

- The deadlines for submitting the annual reports and tax return for business activities and for the corporate income tax return will be postponed from March 31, 2020 to May 31, 2020.
- The informative tax calculation for individuals (prepared by the Slovene Tax Authorities) will be issued to Slovenian residents by June 30, 2020. Taxpayers that do not receive the calculation by July 15, 2020 are not required to file the annual tax return for 2019 until August 31, 2020.
- Taxpayers will have the option to recalculate tax pre-payments based on an assumption of the expected business result of the current fiscal year.
- On the basis of the new Mega Anticorona Act, all taxpayers (no special conditions have to be fulfilled) are not obliged to pay the tax prepayments for April and May, which would be due on 10 May and 10 June 2020.
- Taxpayers will have the option to postpone the payment of their liabilities for up to 24 months or to pay the liability in (a maximum of) 24 monthly instalments due to an inability to gain income as a result of the COVID-19 epidemic. This measure is applicable also for income tax pre-payment and withholding tax. The postponed payment or payment in instalments, related to this measure, will not be subject to late payment interest.

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

Subject to certain conditions the measures for private-sector employers include the following:

- Partial reimbursement of wage compensations paid to workers by employers who are temporarily unable to provide workers with work as a result of the epidemic or because of force majeure
- Partial exemption from social security contributions,
- exemption from pension and disability insurance contributions for working employees
- reimbursement of compensations paid to workers by employers due to temporary absence from work because of illness or injury
- exceptional state aid for the legitimates (certain selfemployed workers, religious employees, head of the (agriculture) holding farmer) in the form of universal basic income (UBI) in the amount of EUR 350 for March and EUR 700 for April and EUR 700 for May;
- social contribution and social security exemption for April and May for the legitimates (certain selfemployed workers, religious employees, head of the (agriculture) holding farmer).

Recipients of the advantages on the basis of the Mega Anticorona Act, (namely: (i) partial reimbursement of wage compensations, (ii) partial exemption from social security contributions, (iii) exceptional aid in the form of basic income) are required to repay such advantages in case they would after the law entered into force distribute profits, pay allowance for business performance or bonuses to management in 2020.

Immigration authorities work is limited to urgent matters and they do not process any applications for work/residence permits. The legal period of stay for foreign nationals, legally residing in Slovenia as at 13 March 2020 is automatically extended for the period when temporary measures are in force.

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As of 22 April 2020

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

- Deferral of 12 months for liabilities arising from bank loans, if the liabilities were not due up to the time when the epidemic was declared.
- Annual reports that would otherwise have to be submitted to AJPes (Agency of the Republic of Slovenia for Public Legal Records and Related Services) prior to 31 May 2020, may be submitted on 31 May 2020 at the latest.
- Certain measures were taken in relation or by the SID Bank and Slovene Enterprise Fund.
- Temporary deferring of enforcement orders and enforcement procedures and temporary suspension of enforcement orders in tax enforcement procedures.

Other measures and sources

- Measures for judicial, administrative and other public matters include the suspension of procedural time limits in procedures that are not being conducted due to COVID-19 (except in urgent matters) and the suspension of all material preclusive time limits for the exercise of rights of clients.
- Additional continuously insolvency reason was introduced, according to which a legal entity, sole trader or private person (as defined in the Law) shall be considered continuously insolvent, if it is more than one month late with the payment of salaries and contributions to the workers, since it received repayment of salaries and contributions compensations on the basis of the laws regulating intervention measures intended for preservation of posts due to the consequences of epidemic on the territory of the Republic of Slovenia.
- Certain obligations of the management regarding financial operations and insolvency proceedings were deferred.
- If insolvency was a consequence of declaration of epidemic, the time period for which the court may suspend a decision on the creditor's petition in bankruptcy and in which the debtor must justify the suspension of a decision, shall be four months.
- All incomes, received on the basis of the Mega Anticorona Act are exempted from the claim enforcement, tax claim enforcement and insolvency assets in the personal bankruptcy procedure.

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As of 22 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> <ul style="list-style-type: none"> — Slovakia: Tax relief included in measures responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tmf-slovakia-tax-relief-measures-coronavirus.html

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As of 22 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*(e.g. payment deferrals, rate reductions...)*

Legislation providing emergency measures has been enacted, and is effective as of 29 March 2020. The National Assembly also on 2 April 2020 passed legislation that is intended to mitigate the effects of the COVID-19 epidemic on citizens and the economy, and this legislation has an effective date 11 April 2020. In related developments, the tax authority published guidance in respect of the COVID-19 emergency measures. These include:

- The deadlines for submitting the annual reports and tax return for business activities and for the corporate income tax return will be postponed from March 31, 2020 to May 31, 2020.
- The informative tax calculation for individuals (prepared by the Slovene Tax Authorities) will be issued to Slovenian residents by June 30, 2020. Taxpayers that do not receive the calculation by July 15, 2020 are not required to file the annual tax return for 2019 until August 31, 2020.
- Taxpayers will have the option to recalculate tax pre-payments based on an assumption of the expected business result of the current fiscal year.
- Taxpayers will have the option to postpone the payment of their liabilities for up to 24 months or to pay the liability in (a maximum of) 24 monthly instalments due to an inability to gain income as a result of the COVID-19 epidemic. This measure is applicable also for income tax pre-payment and withholding tax. The postponed payment or payment in instalments, related to this measure, will not be subject to late payment interest.
- All taxpayers (with no special conditions applicable) are not required to make tax prepayments for the months of April and May 2020 (which normally would be due on 10 May and 10 June 2020, respectively).
- During the COVID-19 emergency, the statute of limitation for execution of tax will not run for those taxpayer that apply the relief measures. If the COVID-19 emergency is not declared ended as of 15 May 2020, some deadlines will be extended for 30 days.

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

- An intervention law for co-financing temporary lay-offs
- Media report on measures regarding self-employed

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

- 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

Other measures and sources

- Aid in the field of internationalization

Main Sources of information

- 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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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.

**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.

15 April 2020 saw the publication in the Official State Gazette of Royal Decree Law 14/2020 of 14 April 2020, which **extended the filing and payment deadlines for certain tax returns and self-assessments** (hereinafter, Royal Decree-Law 14/2020) and entered into force on the same date.

- The sole article of the above Royal Decree-Law provides that taxpayers with a **volume of business not exceeding Euros 600,000 in 2019** shall have **until 20 May** to file and pay tax returns and self-assessments with deadlines falling between 15 April and 20 May. In other words, qualifying taxpayers may defer the filing of quarterly VAT returns, corporate income tax instalment payment returns, and personal income tax returns. The deadline is also extended by one month, from 15 April to 15 May, where taxpayers have opted for payment by direct debit.
- Elsewhere, this measure will also be applied to the public administrations (including social security) although in such cases, budget rather than volume of business will be used as the relevant threshold value.
- Nonetheless, **this extension does not apply to:**
 - Groups of entities taxed under the CIT consolidation regime, irrespective of revenues.
 - Groups of entities taxed under the special regime for VAT groups, again, irrespective of their volume of business.
 - The filing of returns regulated by the Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code and/or its implementing regulations.



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

Other measures– Royal Decree-7 2020

- 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).
 - 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.

Transitional financial support measures

- Request for extraordinary deferral of repayment schedule for loans granted by the General Secretariat for Industry and Small and Medium Enterprises (art. 15)
 - 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

Paid leave – Royal Decree 10 2020 (Application between March 30 and April 9, 2020)

- 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.

Minimum indispensable activity – Royal Decree 10 2020 (Application between March 30 and April 9, 2020)

- 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.

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

Guarantee of liquidity to sustain economic activity

- Approval of a credit line whereby the State shall cover the financing extended by financial institutions to companies and self-employed persons. (Art. 29)
 - 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)
 - 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– Royal Decree-7 2020

Measures to support the tourism industry:

- Increase in the Thomas Cook financing line to assist companies incorporated in Spain within certain economic sectors (art. 12).
 - 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.

Government launch of first package of 100 billion euros measure

On 24 March, the Council of Ministers approved the first release of EUR 20 billion, expandable as consumed

- 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:
 - 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.
 - 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.
 - Criteria: the maximum loan will be defined by:
 - 25% of 2019 sales
 - 24 months of 2019 salaries
 - 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 has signed the collaboration agreement with some financial entities.

Government launch the second package of the 100 billion euros measure:

On 10 April, the Council of Ministers approved the second release of EUR 20 bn, expandable as consumed;

- Destination: to maintain liquidity in companies and face immediate expenses due to COVID-19, 100% of the package (20 billion euros) must be used for companies with less than 250 workers and for freelance employees.
- Application deadline: 30 June and extendable to 30 September 2020.
- All other conditions are equal to those of the first package.



Other measures and sources

Guarantee of liquidity to sustain economic activity

- Measures in the area of public contracting to alleviate the consequences of COVID-19. (Art. 34)
 - 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:
 - 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.

Suspension of the regime of liberalization 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)



Other measures and sources (continued)

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

- 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– 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.



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)



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>
- Resolución de 25 de marzo de 2020, de la Secretaría de Estado de Economía y Apoyo a la Empresa, por la que se publica el Acuerdo del Consejo de Ministros de 24 de marzo de 2020, por el que se aprueban las características del primer tramo de la línea de avales del ICO para empresas y autónomos, para paliar los efectos económicos del COVID-19: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2020-4070
- 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



Customs Measures

Customs formalities

- Acceptance of customs bank guarantees in electronic format (scanned copies), where the usual procedure is the physical registration of the original bank guarantee.
- Where it is not possible to physically stamp the ATA carnets, a copy should be sent by electronic means and the Customs Office will issue a receipt of the presentation by electronic means.
- The sealing of goods in transit may be replaced by a description of the goods which is sufficiently precise to easily identify them and which specifies the quantity and nature of the goods and their particular characteristics.
- Simplification of import pharma authorizations request for sanitary and non-sanitary products used in the treatment of Covid-19 or to prevent its spread: masks, gloves, coveralls or goggles, as well as medical devices such as surgical masks, examination gloves and certain types of gowns
- Easing of formalities related to certificates of origin: acceptance of scanned copies while Covid-19 measures are in force. A specific procedure has been enabled to electronically issue EUR-1 certificates of origin.
- Due to the restrictions in force for on-site procedures, phone numbers for each Customs Office in Spain have been published.
- All the EUR-1, EUR-MED and A.TR certificates will be issued "a posteriori". For this reason, exporters are encouraged to request origin self-declaration authorisations, such as the approved exporter authorisation and registered exporter within REX system.

Payment facilities

Possibility of defer the payment of customs duties and import VAT arising from customs declarations up to six months, under the following conditions (among others): the debt amount is between 100 euros and 30,000 euros, foreseen for importers with a volume of operations not exceeding 6M euros in 2019.

Other

Freelance workers and SMEs are allowed to request a payment deferment of invoices for supplies of electricity, natural gas, manufactured gases and liquified petroleum gases by pipeline. Likewise, supplies' distributors will be able to postpone the payment of VAT and excise duties on invoices where the payment has been suspended

Duty relief

- VAT exemption in the import of goods intended for disaster victims, of a charitable nature (defined in EU Regulation 1186/2009). The VAT exemption is subject to its authorization by the Spanish Tax Authorities, which may be electronically requested and granted. The import should be made by government bodies or authorized entities of a charitable or philanthropic nature.
- Customs duties exemption in the import of goods intended for disaster victims, of a charitable nature (defined in EU Regulation 1186/2009). While awaiting its validation by the European Commission, such goods may be imported duty free if the importer provides a guarantee covering the duties amount and submits a specific declaration where it agrees to pay potential customs duties in case these are finally not exempt. The import should be made by government bodies or authorized entities of a charitable or philanthropic nature. (Effective, subject to authorization)
- Update: Spanish Customs Authorities have published a new guideline, where it is stated that importers different than State bodies or charitable / philanthropic organisations may also enjoy the duty-free treatment if a specific procedure is followed.
- Easing of formalities related to certificates of origin: acceptance of scanned copies while Covid-19 measures are in force. A specific procedure has been enabled to electronically issue EUR-1 certificates of origin.
- Due to the restrictions in force for on-site procedures, phone numbers for each Customs Office in Spain have been published.

Export

- In Spain the Ministry of Industry and Commerce is the one competent to issue export licenses and authorizations, such as the ones in Commission Implementing Regulation 2020/402 of 14 March.

Customs audits

- Suspension and extension of terms regarding audits/ inspections: the term to submit documentation requested by the Tax authorities before March 17th has been extended to April 30th 2020, and the term to provide the documentation requested after March 17th is extended until May 20th 2020.



Other measures and sources

Main sources of information:

Customs measures implemented

- Spanish Customs authorities' Notice "NI DTORA 01/2020" of 16th March 2020
- Spanish Customs authorities' Notice "NI GA 08/2020" of 27th March 2020
- Spanish Customs authorities' Notice "NI GA 06/2020" of 26th March 2020
- Spanish Customs authorities' Notice "NI GA 09/2020" of 30th March 2020
- Spanish Customs website

Other tax measures with implications for Customs

- Spanish Royal Decree 8/2020

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As of 22 April 2020

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. For companies with more than 30 employees, only 30 employees are eligible for the rebate.
- 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 30 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 labour market policy. Increased funding paid to Arbetsförmedlingen (the Swedish public employment service) and labour market 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).



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 employee to that receives 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.
- 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.

Enacted as of April 2nd 2020

- Adjusted rules for splitting of costs between the state and the employer when an employee reduces work time and salary. 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. The enacted rules also includes a change which allows for government funded organizations and staffing companies to apply for the Government support.
- The Swedish state will assume the responsibility for payment of sick pay (Sw. sjuklön) during April and May 2020.
- The state will pay a sickness benefit the first day of illness (Sw: Slopst karenssvdrag) between March 11 and May 31.
- The obligation for an employee to validate its reduced work capacity with a doctor's certificate is temporarily removed.

**Economic stimulus measures***(e.g. loans, moratorium on debt repayments...)***Increased lending to small and medium-sized companies via Almi (enacted)**

- 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.



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Extended credit guarantees for The Swedish Export Credit Commission's (EKN) (proposed)</p> <ul style="list-style-type: none"> — 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. <p>Airline companies are given state credit guarantees (enacted)</p> <ul style="list-style-type: none"> — 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. <p>Government loan guarantee for small and medium sized companies (enacted)</p> <ul style="list-style-type: none"> — 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. <ul style="list-style-type: none"> - 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. <p>The Swedish Financial Supervisory Authority (FI) (enacted)</p> <ul style="list-style-type: none"> — 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. <p>The Swedish Financial Supervisory Authority (FI) (proposed)</p> <ul style="list-style-type: none"> — intends to give banks the opportunity to exempt all housing mortgage holders from the requirement to amortize on their loans due to the Corona virus effects on the economy. The exemption is proposed to be active until June 2021 (Pending approval process. Proposal will potentially be active from April 14). 	<p>Main sources of information:</p> <ul style="list-style-type: none"> — 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/



Customs Measures	Other measures and sources
<p>Payment facilities</p> <ul style="list-style-type: none"> — Possibility, under certain conditions, to defer the payment of the Customs debt and other taxes collected by the Swedish Customs authorities. <p>Duty relief</p> <ul style="list-style-type: none"> — Reliefs from customs duties and import VAT for goods intended to be imported to State bodies, approved charitable or philanthropic organisations, and rescue units. (Effective but under validation process of the Commission) <p>Customs audits</p> <ul style="list-style-type: none"> — Suspension of Customs audits, (to be verified, Non-official communication) <p>Other measures</p> <ul style="list-style-type: none"> — Swedish Customs has also contributed with protective equipment for health care from their own stocks. 	<p>Main sources of information:</p> <ul style="list-style-type: none"> — Swedish Customs authorities' Notice of march 24, 2020 — Swedish Customs authorities' Notice of 27 march 2020 — Swedish Customs authorities' Notice of march 30, 2020 — Non-official communication

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As of 22 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. On 3 April 2020 additional CHF 20 billion have been approved. 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. Furthermore, there are provisions to delay payment of or temporarily waive late payment interest on social security contributions and various taxes. 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...)

Liquidity buffer in the area of tax

- Liquidity reserve in the tax area on federal level: 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; i.e. 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. Withholding tax and stamp duty do not appear to benefit from these advantages.
- Some cantons have also already communicated measures relating to cantonal and municipal taxes. 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.).
- The due dates for these taxes and duties do remain formally in place. Therefore, companies wishing to settle tax liabilities after their due date must submit a corresponding application – in practice, this can be fairly informal in nature – to the tax authorities. The form of notification can vary depending on the type of tax in question.

The approach of the Swiss tax authority concerning relief related to value added tax (VAT) reflects the following

- 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).
- The late-payment interest rate of 0.0% applies to all VAT payment obligations regardless of when the obligation arose, for the period from 20 March to 31 December 2020.

Income taxes (federal tax / cantonal & communal taxes)

- Final tax bills: companies that are currently unable to pay final tax bills due to the effects of COVID-19 can apply for an extension of the payment deadline or installment payments. By special decree, late payments of the federal tax due in the period as from 1 March 2020 to 31 December 2020 will not incur any default interest.
- Provisional tax bills / payments on account: for Swiss federal tax purposes, companies currently unable to pay the provisional tax bills due to COVID-19 can apply for an extension of the payment deadline or installment payments.

Social security contributions

- Upon request, companies affected by the crisis can be granted a temporary deferral of payments for social security contributions (AHV / IV / EO / ALV). The companies also have the option of having the amount of regular payments on account adjusted if the total of their wages has decreased significantly.
- By special decree, no default interest will be due on deferred payments.

Individual income tax returns

- The general filing deadline for 2019 tax returns in the cantons would have been March 31, 2020. However, with the COVID-19 relief measures, the filing deadlines for individual income tax returns have been extended to a variety of dates—the new filing dates range from May 31, 2020, or June 30, 2020, or July 31, 2020, or even September 15, 2020 (depending on the canton).
- The Swiss Federal Council also has provided relief measures regarding the deadline for payment of federal income tax. For federal income tax payments generally due between March 1, 2020 and December 31, 2020, no late-payment interest will be levied because the tax payment is delayed.



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

- Various Swiss cantons have also announced tax relief measures. Due to the current situation, many cantons have automatically extended the regular deadline for submission of the 2019 tax return for individuals and in some cases also for judicial persons. In addition, some cantons provide for an extension to the application deadline for tariff adjustments for source tax. It is possible to apply for an amendment to the provision tax invoice for cantonal and municipal taxes for 2020 if a drop in personal or corporate income, or even a loss, is expected in the current year. If, due to the impact of COVID-19, companies are unable to pay tax liabilities that have been finally assessed and are due for payment, they may apply for an extension to the payment deadline or request to pay in installments. Some cantons have already indicated that they will deal with such requests quickly and fairly. Certain cantons are also temporarily waiving late payment interest.
- An overview of cantonal measures is contained on KPMG in Switzerland's website.
- Regarding the identification requirement under anti-money laundering regulation, relief is provided with regard to the application of due diligence obligations for new accounts until 1 July 2020 in response to the coronavirus (COVID-19) pandemic. The relief extends the period from 30 days to 90 days for confirming the authenticity of copies of identity documents. This provision can be applied to new business relationships so that they can be opened with a simple copy of an identity card (providing the authentication in the subsequent 90 days). However, for business relationships with increased risks, it must still be assessed and documented on a case-by-case basis whether applying the exception in that particular case is acceptable in view of the associated money-laundering risks. Regardless of the relationship's risk category, the missing confirmation of authenticity must be provided within 90 days.
- This facilitation may also be available for non-banks, such as external asset managers that are regulated through a self-regulatory organization (SRO) as soon as their SRO also provides for this facilitation.

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 organisation.
- 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 does not have to assume any loss of work.
- Employees will no longer have to compensate overtime before they can benefit from short-time working.

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

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 programme with a volume of CHF 40 billion to ensure that affected SMEs (sole proprietorships, partnerships and legal entities) obtain transitional bank credits. This programme is based on the existing structures of the guarantee organisations. 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.
- There are restrictions for companies that obtain a COVID-19 credit. This is because the sole purpose of the COVID-19 (bridging) loan is to cover running costs. Excluded are, among other things, the payment of dividends, the repayment of capital contributions, refinance shareholder loans, advance COVID-19 funds to foreign affiliates or new investments in fixed assets that are not replacement investments. Once a company has recovered and wants to finance growth plans or distribute capital again, it can repay the guaranteed COVID-19 loan and finance itself through profits, "normal" bank loans or the capital market. Therefore from the time a COVID-19 loan is granted, no more dividends may be paid out until the loan has been fully repaid.
- 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



Economic stimulus measures

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

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 organisations. 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.



Custom Measures	Other measures and sources
<p>Duty relief</p> <ul style="list-style-type: none"> — Switzerland suspends import duties on certain medical goods from 10 April to 9 October 2020 — The concerned commodity codes are the following: 2847.0000 3808.9480 3926.2010 3926.2090 3926.9000 4015.1100 4015.1900 4015.9000 4818.5000 4818.9000 6113.0000 6114.2000 6114.3000 6114.9010 6114.9090 6116.1000 6210.1000 6210.2000 6210.3010 6210.3090 6210.4000 6210.5010 6210.5090 6211.3200 6211.3300 6211.3910 6211.3990 6211.4210 6211.4290 6211.4300 6211.4910 6211.4920 6211.4990 6216.0010 6216.0090 6307.9099 6505.0010 6505.0080 6505.0090 9004.9000 9020.0000 <p>Payment facilities</p> <ul style="list-style-type: none"> — Possibility, under certain conditions, to defer the payment of the Customs debt and other taxes collected by the Swedish Customs authorities. — Swiss government announced additional assistance for companies on 20 March 2020. Businesses should have the possibility to extend payment periods for VAT, customs duties, special excise taxes and incentive taxes, without having to pay interest on arrears. For this reason, the interest rate will be reduced to 0.0 percent in the period from 21 March 2020 to 31 December 2020. No interest on arrears will be charged during this period. 	<p>Payment of invoices by the Confederation</p> <ul style="list-style-type: none"> — 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. <p>CHF 100 million for sports organizations</p> <ul style="list-style-type: none"> — 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: <ul style="list-style-type: none"> - 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. <p>Main sources of information</p> <ul style="list-style-type: none"> — 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 — Guidance on transitional credits: https://covid19.easygov.swiss/

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As of 22 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 (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
<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. <p>The Turkish Ministry of Finance announced the following measures in relation to tax obligations:</p> <ul style="list-style-type: none"> — Payments in April, May and June related to withholding tax returns, VAT returns and Social Security Premiums and service documents will be postponed for six months for companies operating in certain industries (e.g. retail, iron steel, automotive, logistics and transportation, cinema and theatre, accommodation, food and beverages, textile and garment and event organization). — VAT rate for domestic airline transport will be decreased to 1% from 18% for three months. — Deferral of introduction of accommodation tax until November 2020. 	<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.tccb.gov.tr/en/



As of 22 April 2020

Customs Measures		Other measures and sources
<p>Customs audits</p> <ul style="list-style-type: none"> — (Measures taken in the procedures to be carried out on import controls of vegetable food and feeding stuff in terms of minimum contact and protection of personal health. <p>Export</p> <ul style="list-style-type: none"> — During the exportations of CPR equipment, ventilators, oxygen concentrators, anesthesia patient / ventilator circuits, cannulas, the intubation tube and intensive care monitors permit shall be obtained from the Turkey Medicines and Medical Devices Agency. — Ethyl Alcohol, Cologne, Disinfectant, Hydrogen Peroxide and Melt blown fabrics have been added to the list of goods that requires export registration. — During the exportations of the gas, dust and radioactive filtered masks, medical and surgical masks, medical sterile gloves, protective work clothes and liquid-proof gowns and protective glasses under the personal protective equipment regulation Turkey Pharmaceuticals and Medical Devices Agency permit shall be requested — Prior authorization from Ministry of Agriculture and Forestry shall be requested during the exportation of fresh lemon. <p>Duty relief</p> <ul style="list-style-type: none"> — Customs duty shall be applied at the rate of 0% for the importations to be made within the scope of the final use of bulk ethyl alcohol. — Additional customs duty has been removed for Medical Masks (Single use only), Ozone Therapy, Oxygen Therapy, Aero-therapy, Artificial Respiration or Other Therapeutic Respiratory Devices. 	<p>Other measures</p> <ul style="list-style-type: none"> — It has been stated that in case of the exported goods returned due to the Covid epidemic for various reasons, the transactions shall be completed primarily in order to prevent suffering of exporters. — Suspension of animal entrances into the country. (Exotic animals and invertebrates, amphibians, dogs, cats, ferrets, ornamental fish, reptiles, rodents, domestic rabbits and all birds) — Requisition of masks stocks (Mask producers have been warned to make contract with the Ministry of Health. — Postponement of the expos organized between 16 March-30 April in Turkey to the period after May 1, 2020 — Ventilator, ecmo, oxygen concentrator, ventilation consumables, patient circuits (anesthesia/ventilator circuit), IV cannula and intensive care monitors have been added to the list of goods prohibited to export and required prior authorization. (Effective between 16 March-30 April) — Mask producers have been warned to make contract with the Ministry of Health.) 	<p>Main sources of information:</p> <ul style="list-style-type: none"> — Notice of Ministry of Agriculture and Forestry dated 25 March 2020 — Communiqué numbered 2020/6 and dated 26 March 2020 — Presidential Decision numbered 2284 and dated 25 March 2020 — Presidential Decision numbered 2285 & 2286 and dated 25 March 2020 — Communiqué numbered 2020/5 and dated 18 March 2020 — Notice of General Directorate of Customs numbered 53291166 and dated 17 March 2020 — Turkey Pharmaceuticals and Medical Devices Agency Notice dated 04 March 2020 — Ministry of Commerce — Communiqué numbered 2020/6 and dated 26 March 2020 — Non-official communication-Interior Minister Süleyman Soylu's statement

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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, alcohol, tobacco and fuel;
 - alienation of property in the pledge
 - breaches of insurance agreements

- 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

VAT: medical products for counteractions against COVID-19

- 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, the list of which has been determined by the Cabinet of Ministers of Ukraine

VAT: public and charitable organizations

- Non-governmental organizations and charities do not include in VAT calculation operations for the import and supply of goods required to implement measures aimed at preventing the occurrence and spread of COVID-19, the list of which has been determined by the Cabinet of Ministers of Ukraine.

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, charitable organizations, relevant public authorities, health institutions, communal property (and other sites) which operate to prevent the spread of COVID-19 in Ukraine
- For a organizations authorized for a supply of healthcare goods special regime of tax differences implemented

Land and property taxes

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

Excise tax

- From May 31, 2020, the excise tax is charged at the rate of 0 UAH per 1 liter of 100% ethanol 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

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

Main sources of information:

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



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As of 22 April 2020

Employment-related measures (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	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, (including government employees) 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. — 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 — Deadline 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 22 April 2020

General Information

The Chancellor has set out a 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 announced a three-point plan at the Budget to: (i) support Public Services (NHS in particular), (ii) support People affected by COVID-19; and (iii) support Businesses experiencing increases in costs or financial disruptions. Additional measures and guidance are being announced each week and the Government are in dialogue with businesses, industry bodies and the professional services community to ensure policy objectives are achieved

Tax measures – Direct and Indirect*(e.g. payment deferrals, rate reductions...)***Deferral of VAT payments due between 20 March 2020 and 30 June 2020**

- The UK government has announced that VAT payments (including payments on account) due between 20 March and 30 June 2020 can be deferred at the option of the taxpayer. Where the taxpayer chooses the deferral option the payment must be made on or before 31 March 2021. No interest or penalties will be charged as a result of deferral and taxpayers do not need to notify or seek approval from HMRC for the deferral to apply. The deferral does not apply to VAT payments under the Mini One Stop Shop (MOSS) scheme under which VAT is reported and paid on sales of digital services to consumers in the EU or to Import VAT. The deferral is available for all UK VAT registered businesses. HMRC will continue to repay taxpayers any VAT during this period as usual, such as repayment VAT returns, or VAT refund claims. **HMRC are not automatically suspending collection of direct debit payments of VAT during this period and businesses will need to cancel their direct debit mandate and remember to set it up again in due course.** Businesses should continue to prepare VAT returns as normal and file them by the due date.
- The guidance issued by the Government to date is quite limited. Widely circulated, but as yet unpublished HMRC guidance, indicates that the deferral does not apply to VAT due to be paid in relation to disclosures and assessments. It also confirms that the deferral does not apply to Customs Duties and other taxes/duties such as Machine Games Duty, Insurance Premium Tax etc. If businesses cannot pay these other tax liabilities then the Time To Pay process described below needs to be engaged. It also confirmed that any subsequent refunds / repayments will not be set-off against deferred VAT, but will be set-off against any existing debt prior to the announcement.

July 2020 Income Tax payment deferral to 31 January 2021

- Income Tax payments due on the 31 July 2020 ('payments on account') may be deferred until 31 January 2021 and HMRC will not automatically charge penalties or interest for late payment. The deferment is optional and those who are still able to make July payments are encouraged to behave as 'good citizens' and pay the tax they owe on time. Payments on account normally apply to income that has either not been accounted for through the PAYE system, or has not had sufficient tax deduction through PAYE.

This is only relevant to taxpayers within the income tax regime; which would typically be those not operating via a company structure within the charge to corporation tax such as:

- Individuals:
 - who operate a business on a self-employed basis;
 - who are partners in a partnership (including LLPs); and
 - with income tax obligations outside of PAYE
- Trustees
- Companies subject to income tax

Time To Pay requests to HMRC

- For other taxes Time to Pay requests can be made to HMRC to defer tax payments which are due (or overdue) for payment to HMRC. Taxpayers seeking to defer tax payments should be able to justify why a deferral is needed. For taxpayers with a Customer Compliance Manager this is likely to be the quickest route to get a deferral agreed. There is also a HMRC Coronavirus helpline on 0800 024 1222 for other requests. HMRC's approach to date has been to allow deferral for 3 months.

Waiver of import taxes on vital medical supplies

- On 31 March 2020 the UK Chancellor announced that import taxes would be waived on vital medical equipment including ventilators, coronavirus testing kits and protective clothing. Only limited guidance has been provided to date.



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

Business rates reliefs

- Business rates or non-domestic rates are a property based business tax which are administered by local authorities in England, Scotland, Wales and Northern Ireland. Rates 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.
- The UK Government has increased the Business Rates Retail Discount applicable in England to 100% for the 12 month period beginning 1 April 2020. In addition to increasing the discount to 100% the UK Government has expanded the scope of the relief so it covers retail, leisure and hospitality businesses. Properties that will benefit from the relief must be occupied and wholly or mainly used for a qualifying purpose. Where properties have had to temporarily close due to the COVID-19 outbreak they are still treated as occupied. The Government has issued guidance on what properties in England will qualify for the relief [here](#). The Scottish and Welsh Governments have introduced equivalent non-domestic rates holidays for retail, leisure and hospitality businesses covering the same 12 month period. There is no limit on the rateable value of the properties eligible for 100% rates relief in England and Scotland. Properties with a rateable value of up to £500,000 are eligible for the Retail, Leisure and Hospitality Rates Relief in Wales.
- 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 who were not in receipt of the retail discount in the previous year (or only received it on some of their properties) may need to apply to their local authority to ensure the discount is applied correctly for 2020/2021. Any enquiries on eligibility for, or provision of, the reliefs should be directed to the relevant local authority.
- In Northern Ireland no rates will be charged for the 3 month period ended 30 June 2020 for all business ratepayers excluding public sector & utilities.
- It should be noted that distressed businesses may also be able to request Hardship Relief via their local authority. There are a number of other exemptions and reliefs which can apply.
- According to the guidance (as updated on 2 April 2020) the Government's assessment is that, given the impact of COVID-19 in the sectors receiving the relief, the business rates expanded retail, leisure and hospitality discount 2020-21 is not a state aid. The Government has considered this matter in discussions with the European Commission and is content with this analysis following those discussions. This means local authorities can apply the relief to all eligible properties as the EUR 800,000 cap under the EU State Aid Temporary Framework does not apply.

Customs procedures

- HMRC have implemented an automatic extension scheme on all UK authorised customs special procedures.

Other measures

- Our understanding is that there is a priority for movement of goods - medical or scientific supplies etc. - to be as quick as possible across the UK border. Border Force and HMRC are introducing a combined coordination unit, pulling information in from across Government to collate all border issues and smooth the border process.



Updated

Employment-related measures*(e.g. state compensation schemes, training...)***Available measures to support people employed by corporations****Job Retention Scheme (JRS)**

- To support employers whose operations have been severely affected by the COVID-19 outbreak, HMRC will pay them:
 - 80% of 'furloughed workers' pay up to a cap of £2,500 per month; plus
 - The associated Employers' NIC and minimum automatic employer pension contributions
- The employer must pay the furloughed worker the lower of 80% of their reference pay and £2,500 per month.
- Employers have the option to top up but are not required to pay furloughed employees more than this amount, but any reduction in pay is subject to current employment law.
- The JRS will run until the end of June. HMRC opened its online portal for applications on 20 April and payments are due to start shortly.
- Changing the status of employees remains subject to existing employment law and may be subject to negotiation.
- Employees can be furloughed multiple times, provided that each time they are furloughed is a minimum of three weeks.
- To be eligible for the grant, employees cannot undertake work for, or on behalf of, the organisation while on furlough. However, employees are permitted to work for another employer while on furlough.
- The JRS is available businesses of all sizes who are severely impacted by COVID-19. HMRC have published guidance on the scheme [here](#).



Employment-related measures (continued)

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

Statutory Sick Pay refunds for smaller businesses

- Businesses with less than 250 employees on 28 February 2020 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 (i.e. where an employee may not be sick or have symptoms of COVID-19 but has been advised to self-isolate and cannot work as a result).
- Under the normal SSP rules, SSP is only payable from the fourth day of sickness related absence.
- The Government is introducing changes so that workers are able to claim SSP from the first day of sickness absence, rather than from day four.
- It does not appear that this is limited only to employees with COVID-19 related absence and it could apply to workers with sickness absence for other reasons.
- 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 have published guidance [here](#). Some of the key points covered in the guidance are:
 - Reimbursement will be based on the current rate of SSP for periods of sickness starting on or after 13 March 2020.
 - Company's that claim reimbursement must have a PAYE payroll scheme that was created and started on or before 28 February 2020.
 - The scheme covers individuals on all types of employment contracts (including full-time employees, part-time employees, employees on agency contracts, and employees on flexible or zero-hour contracts).
 - The 250 employees test is based on the total combined number of PAYE employees for connected companies.
 - 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.

- The government has launched a new online 'isolation notes' service. The notes will provide employees with evidence for their employers that they have been advised to self-isolate due to COVID-19 and cannot work, either because they have symptoms themselves or because they live with someone who has symptoms.
- An isolation note will now be satisfactory evidence of inability to work, where an employee is self-isolating, rather than requiring a fit note from a doctor.
- The notes can be obtained through the NHS website, NHS 111 online or the NHS App.

Available measures to support people employed by corporations

Relaxation of annual leave rules

- Employees who have not taken all of their statutory annual leave entitlement due to coronavirus will be able to carry it over into the next 2 leave years. This change is aimed at allowing staff to continue to work in the national effort against COVID-19 without losing out on annual leave entitlement.
- The regulations will allow up to 4 weeks of unused leave to be carried over for two years. The measure is not currently binding on all businesses and is primarily aimed at 'key workers'.
- The rules will be introduced by amending the Working Time Regulations, which apply to almost all workers, including agency workers, those who work irregular hours, and workers on zero hours contracts.

[Currently, almost all workers are entitled to 28 days holiday including bank holidays each year. However, most of this entitlement cannot be carried between leave years, meaning workers lose their holiday if they do not take it. There is also an obligation on employers to ensure their workers take their statutory entitlement in any one year – failure to do so could result in a financial penalty.]

**Employment-related measures (continued)***(e.g. state compensation schemes, training...)***Available measures to support people not employed by corporations to support the economy****Self-Employment Income Support Scheme (SEISS)**

- The SEISS is a grant to support self-employed and members of a partnership/LLP who have lost income due to COVID-19. HMRC will pay individuals a taxable grant of 80% of trading profits up to a maximum of £2,500 per month for 3 months (this may be extended). Individuals who receive a grant under SEISS can continue to work.
- Trading profits must be:
 - Less than £50,000 per annum; and
 - more than half of the individual's total taxable income.
- The grant will be paid in one instalment directly into an individual's bank account. HMRC will contact individuals who are eligible for this grant and invite them to make an online application. Individuals should not contact HMRC about the grant unless invited to do so. HMRC issued [guidance](#) on 26 March 2020.
- Individuals who are self employed or are members of a partnership/LLP need to meet all the requirements below to qualify for the grant. The individual must:
 - Have submitted their Income Tax Self Assessment tax return (Tax Return) for the 2018-19 tax year;
 - Have traded during the 2019-20 tax year;
 - Be trading when applying for the grant, or would have been trading if it were not for COVID-19;
 - Intend to continue to trade in the 2020-21 tax year; and
 - Have lost trading or partnership profits due to COVID-19.
- Those who started trading on or after 6 April 2019 are not eligible. Self-employed profits must be less than £50,000 (for either 2018/19 or average profits over the last three years) and represent more than half of taxable income.
- Those operating via a company are not covered by SEISS, but their salary may qualify for the Job Retention Scheme if they are operating PAYE.
- Individuals who have not yet filed a 2018-19 Tax Return but would otherwise meet the eligibility requirements for this grant need to take action quickly by filing a tax return by 23 April 2020.
- Averaging can apply in determining the level of total trading profits and the proportion of trading income to total taxable income such that an individual either has:
 - Trading profits of less than £50,000 and these constitute more than half of their taxable income for the 2018-19 tax year; or
 - For the tax year 2018-19 and the previous two years, average trading profits of less than £50,000 and these constitute more than half of average taxable income for the same period.
- For those who commenced trading in the three year period from 6 April 2016 to 5 April 2019 HMRC will only use those years for which Tax Returns have been filed.
- HMRC will base the calculation of 80% of trading profits on average profits from the three tax years from 6 April 2016 to 5 April 2019.

Other state compensation for people who are not employed by a corporation

- 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 without the current requirement to attend a Job center Plus if they have COVID-19 or are following government advice to self-isolate.
- Contributory Employment and Support Allowance will be payable, at a rate of £73 (£74 from 6 April 2020) 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 absence, rather than



Updated

Economic stimulus measures

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

Coronavirus Business Interruption Loan Scheme for smaller businesses (for Businesses with turnover of up to £45m)

- Under the Coronavirus Business Interruption Loan Scheme (CBILS) UK businesses with annual turnover of no more than £45m can borrow up to £5m 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.
- Financing can be provided under CBILS for up to 6 years through term loans, overdrafts, invoice finance and asset finance.
- The £45m turnover threshold applies to group turnover, rather than at individual company turnover level.
- Access to CBILS is through circa 40 BBB accredited lenders. The number of providers of the CBILS continues to grow and new alternative finance lenders are being accredited under the scheme creating more choice and diversity of supply for smaller businesses.
- Businesses should speak to their existing bank lender(s) if they wish to access CBILS. On 3 April, the Government introduced certain structural enhancements to the Scheme guidelines which are expected to improve and accelerate its use by eligible SMEs. Further details on CBILS can be found [here](#).

Coronavirus Large Business Interruption Loan Scheme (for Businesses with turnover of more than £45m)

- On 3 April 2020, the Chancellor announced that a new scheme, Coronavirus Large Business Interruption Loan Scheme (CLBILS) is to be introduced. Similar to the SME CBILS scheme this involves a government guarantee of 80% to enable banks to make loans of up to £25 million (CBILS was capped at £5 million) to businesses with an annual turnover of between £45 million and £250 million. Firms with a turnover of more than £250 million can borrow up to £50 million from lenders.
- This is intended to give banks the confidence to lend to more businesses which are impacted by coronavirus but which they would not lend to without CLBILS. This Scheme is for businesses that were viable pre COVID-19, experiencing cashflow shortfalls and who would be able to trade out of difficulty with the additional funding. CLBILS loans will be through commercial banks and commercial rates of interest will be charged.

COVID-19 Corporate Finance Facility (CCFF)

- The CCFF has been created to provide funding to large businesses through the purchase of short-term corporate debt in the form of commercial paper. The Bank of England have published [guidance](#) on the facility including details of eligibility and how to apply.
- Funding is open to companies (1) making “a material contribution to the UK economy”; (2) able to demonstrate they were in sound financial health prior to the pandemic; and (3) with a short term or long term investment grade credit rating or otherwise able to demonstrate financial strength equivalent to investment grade.
- The scheme will operate for at least 12 months and for as long as steps are needed to relieve cash flow pressures. Businesses seeking to make an application should discuss their eligibility with their bank.
- The CCFF launched on 23 March 2020 and Bank of England data released on 2 April 2020 showed that £1.9 billion of commercial paper has been purchased under this facility already and according to a HM Treasury release on 3 April 2020 a further £1.6 billion has been committed.

£750m coronavirus fund for frontline charities

- The UK government has announced £750m of funding for frontline charities across the UK – including hospices and those supporting domestic abuse victims. £60m of this will be provided to Scotland, Wales and Northern Ireland.
- £360 million will be directly allocated by government departments to charities providing key services and supporting vulnerable people during the crisis – including hospices and domestic abuse victims. £370m will go to small and medium-sized charities, including through a grant to the National Lottery Community Fund for those in England.



Updated

As of 22 April 2020

Economic stimulus measures*(e.g. loans, moratorium on debt repayments...)***Future Fund for high-growth companies**

- On 20 April, the government announced that it will be establishing a £500m loan scheme aimed at ensuring that high-growth companies in the UK receive the investment they need to continue during the crisis.
- The scheme will be delivered in partnership with the British Business Bank and is due to launch in May.
- It will provide UK-based companies with between £125,000 and £5m from government, with private investors at least matching the government's commitment. (The £500m fund is comprised of £250 million from government combined with equal match funding from private investors.)
- These loans will automatically convert into equity on the company's next qualifying funding round, or at the end of the loan if they are not repaid.
- The scheme is open to unlisted UK registered companies that have previously raised at least £250,000 in equity investment from third party investors in the last five years.
- Further detail on eligibility criteria and fund operation will be published in due course. The government's announcement can be found [here](#).

Support for SMEs focused on research and development

- On 20 April, as part of its wider package of support for innovative firms hit by the COVID-19 outbreak, the government announced £750m of targeted support for small and medium sized businesses focusing on research and development.
- Innovate UK, the national innovation agency, will accelerate up to £200 million of grant and loan payments for its 2,500 existing Innovate UK customers on an opt-in basis.
- An extra £550 million will also be made available to increase support for existing customers and £175,000 of support will be offered to around 1,200 firms not currently in receipt of Innovate UK funding.
- The first payments will be made by mid-May.



Customs Measures

Duty relief

- HMRC have introduced a relief on the import of medical supplies and equipment, protective garments and similar goods imported from non-EU countries to combat the impact of COVID 19. The relief will be made under Council Regulations (EC) 1186/2009, Articles 74-80, Council Directive 2009/132/EC, Articles 51-57, and will apply immediately.

Payment facilities

- Deferral of UK VAT due in between 20 March 2020 and 30th June 2020 up till the 31st March 2021. All VAT deferred payments are required to be paid by the 31st March 2021.
- HMRC offering additional Time to Pay (TTP) facilities for businesses that have missed or might miss their next tax payments due to COVID-19. Not applicable to Import Vat or customs duty.
- **Duty deferment account holders** who are experiencing severe financial difficulty as a result of Covid-19 and who are unable to make payment of deferred customs duties and import VAT due on 15 April 2020 can contact HMRC for approval to enter into an extended period to make full or partial payment, without having their guarantee called upon or their deferment account suspended.
- **Duty/import VAT payments not covered by a duty deferment account:** Registered Importers who pay cash or an equivalent and are facing severe financial difficulties as a direct result of Covid-19 can contact HMRC to request an extension to the payment deadline at the time the payment is due. They will be asked to provide an explanation of how Covid-19 has impacted on their business finances. HMRC will consider this request and decide whether or not to agree an additional time to pay. The decision will be taken on a case-by-case basis and could be refused.

Customs procedures

- HMRC have implemented an automatic extension scheme on all UK authorised customs special procedures

Other measures

- Our understanding is that there is a priority for movement of goods - medical or scientific supplies etc. - to be as quick as possible across the UK border. Border Force and HMRC are introducing a combined coordination unit, pulling information in from across Government to collate all border issues and smooth the border process.

Other measures and sources

Useful sources of information

- [HM Treasury](#)
- [Bank of England](#)
- [Government Covid-19 guidance to employers & businesses](#)
- [Business support government website](#)
- [Tax helpline](#)
- [KPMG UK Covid-19 resources \(client portal\)](#)



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Bahrain has set up a committed National Taskforce "Team Bahrain" to handle the spread of the Covid-19 virus and took measures to guarantee that testing and isolated facilities were set up immediately. Bahrain has one of the highest testing rates per capita on the planet, obtaining the acknowledgment of the World Health Organization for its professional reaction. The Kingdom stands prepared to initiate further actions to avoid the spreading of the virus. Furthermore, the government of Bahrain is supporting individuals and companies through a comprehensive US\$11.4bn economic stimulus package.

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"> National Bureau for Revenue (NBR) has designed and rolled out a business survey with the objective of understanding the impact of COVID-19 outbreak on Bahraini businesses and their expectations in the coming months. 	<p>The economic stimulus package raised by the government aims to support businesses and individuals through the following actions;</p> <ul style="list-style-type: none"> The payment of all insured Bahraini private sector employees for three months starting April 2020 from the Unemployment Fund, following constitutional procedures and in line with the Social Insurance Law. The automatic payment of individuals' and businesses' Electricity and Water Authority utility bills for three months from April 2020 (up to the costs incurred during the same period in 2019). Exempting all individuals and businesses from municipal fees for three months from April 2020. Exempting all businesses from government-owned industrial land rental fees for three months from April 2020. Terminating monthly work fees and fees for issuing and renewing work permits for three months from April 2020. Doubling the Liquidity Support Fund to US\$530m. Exempting all tourism-related industry from tourism levies for three months from April 2020. Increasing the Central Bank of Bahrain's loan facilities to US\$9.8bn to allow debt instalments to be deferred and extra credit to be extended. 	<ul style="list-style-type: none"> On 2nd April, the Labour Market Regulatory Authority (LMRA) has announced the termination of monthly work fees and fees for issuing and renewing work permits for a period of three months, starting from 1 April 2020. Civil Service Bureau (CSB) President, Ahmed bin Zayed Al-Zayed, announced allowing ministries, entities and government departments to increase the rate of distance work to 70% as a maximum. The redirection of all Tamkeen programmes (semi-autonomous government agency that provides loans and assistance to businesses) to support adversely affected companies, as well as the restructuring of all debts issued by Tamkeen. 	<ul style="list-style-type: none"> On 26th March, as a part of the precautionary measures to combat the novel coronavirus (COVID-19) coronavirus, Ministry of Interior bans gatherings of more than five individuals on roads, yards, beaches, parks and other public places. 2nd April, Salmaniya Medical Complex (SMC) has launched the home delivery service of prescribed medicines to ensure the health, safety and comfort of the patients. On 9th April, Faeqa bint Said Al-Saleh, Health Minister, issued edict 27 of 2020, suspending the BD7 medical consultation fee, stipulated in edict 2 of 2017 on health fees for non-Bahrainis. <p>Main sources of information:</p> <ul style="list-style-type: none"> Bahrain: Key updates on COVID-19: https://bahrainedb.com/key-updates-on-covid-19/?utm_source=Instagram&utm_medium=Organic+Post&utm_campaign=Content2003+-+COVID+Stimulus+Package&utm_content=later-6099281 Bahrain: MOH corona virus updates: https://www.moh.gov.bh/COVID19/

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As of 22 April 2020

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:
 - for applying for advanceDeadlines for applying for the "election year" for start of the benefits
 - Deadlines e 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 (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	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; Furthermore, a number of other policy measures are currently in place: <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/tmf-israel-extensions-of-tax-related-deadlines-covid-19.html

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The Jordanian Government is taking the necessary steps to support the Private Sectors during the COVID-19 crisis and the precautionary actions taken to counter the spread of the virus in the country. Therefore, the Government of Jordan has activated the Defense Law No. (13) for the year 1992 on 18th March, 2020 under which the Defense Order No. (1) for year 2020 and Order No. (5) in which certain measures were announced offering some relief measures on Social Security Contributions and other decisions that have impact in terms of Income tax as well as General Sales Tax in Jordan.

Tax measures – Income and Sales Tax
(e.g. payment deferrals, rate reductions...)

- On 31 of March 2020 the Government has issued the Defense Order No. 5 under which the following decisions were undertaken:
 - The period of time for submitting General Sales Tax and Excise Sales tax returns that must be filed during the official holiday scheduled during the period of application of the Defense Law No. (13) for the year 1992 shall be suspended.
 - All periods and deadlines necessary to take any action with any ministry, government department, public official institution or public institution shall be ceased to apply in accordance with any legislation in force.
 - The validity of all periods and dates stipulated in the applicable legislations shall be suspended, whether they are statute of limitation periods, lapse or failure or to hear a case or periods for taking any action of litigation in all types of courts in the Kingdom, public prosecution departments, arbitration bodies, enforcement departments, wages authority and any council of conciliation Mediation, discipline.
- The Government of Jordan has declared a public holiday the period of the lock down starting from 18th of March till 30th of April which coincide to be the filing deadline for the income tax returns in Jordan. Accordingly and based the decisions taken in Order No.5 above, our understanding is that the filing deadline for the income tax returns is automatically extended for the period of the official public holiday.

Social Security measures

- On 19th of March 2020 the Government has issued the Defense Order No. 1 suspending some items of the 2014 Social Security Law and replacing them with the Order.
- Under the Order, the Social Security Corporation has given the option to entities operating in the private sector to suspend payment of old-age Insurance in relation to private sector's employees for a period of three months as of March 1, 2020 and apply a reduced the social security subscription ratio for entities and its employees from 21.75 % (14.25 % employer's contribution in addition to 7.5% deducted from the employee on a monthly basis) to 5.25 % 4.25% as employer's contribution in addition to 1% deducted from the employee).
- Also, under such Order, if the employer would not opt to apply the reduction above, the employer is able to settle the Social Security amounts due in relation to the period mentioned above (i.e., from 1 March till 31 of May) over a period extending up to end of the year 2023 with no interest.
- Such reduction shall not be applied on the employees working in the Public Sector such as "Amman Great Municipality" and other Municipalities in addition to government owned companies and public institutions.
- Finally and as per the Order, no interest or penalties will be imposed on the amounts of Social Security liability due to the Social Security Corporation during the period from March 1, 2020 up to May 31, 2020, if such liability amounts were a result of; a delay in paying a Monthly Contribution, or delay in submitting the requested forms, or delay in reporting to the Social Security Corporation any changes to insurance benefits' eligibility and pension eligibility.

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As of 22 April 2020

General Information

The Kuwait government has announced a slew of measures with the aim to help the economy in the wake of addressing the implications of COVID-19

Economic stimulus measures

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

- Budget for ministries and government departments increased by KD 500 million for the fiscal year 2020/2021
- Monetary and liquidity stimulants

Central Bank of Kuwait measures

- Discount rate reduced to a historic low of 1.5 percent
- Repo rates, overnight, one-week and one-month reduced to 1 percent, 1.25 percent, and 1.75 percent respectively
- Capital adequacy ratio lowered from 13% to 10.5%
- Risk weight for SMEs lowered from 75% to 25%
- Limit of financing increased from 90% to 100%
- Loan to Value (LTV) ratio to be increased for properties
- Kuwait Banking Association announced a moratorium period up to 6 months on bank loans including waiver of interest and charges (if any for postponement) for retail clients (citizens and expats) and SMEs

Other measures

- Temporary fund established to receive financial contributions from locals in support of the government's efforts related to the outbreak
- Limit for contactless payments increased to KD 25 from KD 10 and fees on point of sales devices and ATM withdrawals suspended for three months

Based on a report from the joint economic team, approved by the Council of Ministers on 31 March 2020. Key highlights:

Liquidity measures

Additional financial support to SMEs

- Providing loans on concessional and long term basis to SMEs, through joint financing from local banks and the Kuwait National Fund for SMEs
- Assisting SMEs and agricultural projects by postponing the installments funded by the Kuwait National Fund for SMEs and the Industrial Bank of Kuwait
- Postponing social security contributions by business owners in the private and oil sectors (not fully owned by the state) for a period of (6) months
- Expediting work cycle to ensure that the government pays amounts due, to the private sector at the earliest
- Providing government exemptions to the affected economic institutions in the manufacturing sectors and the cooperative societies from some government fees and dues (if these exemptions are passed through to their clients)
- Exemption for self-employed Kuwaitis registered under Chapter Five of Social Security Law from contribution towards insurance for a period of (6) months

Relief for citizens

- Support for the salaries of those registered under Chapter Five of Social Security in the affected sectors
- Easing withdrawals from retirement pension

Relief for residents

- Establishing a mechanism to secure a minimum income that ensures the cost of living for workers affected by the current crisis
- Maintaining stability in the levels and prices of food and medical commodities in local markets
- Update: A Higher Steering Committee for Economic Stimulus was formed on April 1, 2020 to implement the stimulus for the local economy through a set of measures approved in the cabinet resolution on March 31, 2020

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As of 22 April 2020

General Information

Lebanon has introduced tax measures as a response on the Covid-19 pandemic, these measures include suspension of tax deadlines, deferral of the payment of social security contributions, in addition the Lebanese government introduced limited exemption for 2 months from custom duties.

Tax measures – Direct and Indirect

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

Measures announced to provide relief for taxpayers in response to COVID-19 pandemic include:

- The Lebanese ministry of finance introduced a suspension of tax deadlines including tax returns filing and payment, registration and deregistration, objections and appeals and other tax obligations. The suspension applies until the end of the lockdown situation
- Taxpayers are able to submit their requests to the ministry of finance through emails to avoid in-person visits.
- Exemption for 2 months from custom duties and excise tax on medical and laboratory equipment used to encounter Covid-19 pandemic

Employment-related measures

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

- Public sector workers will continue to receive their salaries; no other specific policy discussed for private sector workers
- The National social security fund issued a decision to defer the payments of social security contributions related to the first six months of the year 2020 for an additional period of six months from the original deadlines.

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As of 22 April 2020

General Information

The rapid spread of the novel coronavirus (Covid-19), which has been declared a pandemic by the World Health Organization, is adversely affecting economies and businesses around the world. Governments are announcing relief measures to mitigate its economic impact and help individuals and businesses navigate these unprecedented times.

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

Tax relief measures

The following corporate tax relief measures were announced by the government on 31 March 2020:

- Deferral of tax return filing and payment of tax by up to three months from the due date
- Exemption from all fines and penalties related to such deferred filing and tax payments
- The Tax Authority has clarified that donations or contributions made by taxpayers for the purpose of dealing with the COVID-19 pandemic in Oman will be treated as tax deductible. The onus or burden of proof is, once again, on taxpayers to prove that the purpose was for dealing with the COVID-19 pandemic. Such donations are to be governed by the same rules as have been already prescribed in the Executive Regulations to the Oman Tax Law and would be subject to the overall 5% of gross revenue capping.
- Other measures include flexible tax payment mechanisms; extension of timelines for filing objections against tax assessments; and additional time to submit supporting documents and clarifications for ongoing objection proceedings. Refer to our Tax flash for further details.

In addition to above, other tax measures announced by the government included:

- Exemption from tourist and municipality tax (applicable at 4%) for restaurants until 31 August 2020
- Exemption from municipality tax (applicable at 5%) for commercial establishments until 31 August 2020.

Flexible tax payment mechanism introduced along with exemption from additional tax (interest) levy:

- Taxpayers may reach an agreement with the Tax Authority allowing the settlement of outstanding taxes in installments. This arrangement is likely to be 'condition based,' as will be agreed between the relevant taxpayer and the Tax Authority.
- Additional tax (interest) leviable of 1% per month on such outstanding taxes for cases governed by this arrangement will be exempt. Such exemption will be granted only upon satisfaction to the Tax Authority that tax settlement could not be made within the due date for reasons or circumstances resulting from the government measures imposed to counter the COVID-19 pandemic in Oman.
- Exemption from additional tax does not appear to be automatic. The onus or burden of proof lies on the taxpayer to justify with reasons or prove circumstances that resulted in delayed payment of taxes.

Deferment in filing of objection against assessment orders:

- As a brief background, the provisions of the tax law currently allow a taxpayer to object to the assessment order issued by the Tax Authority within 45 days from the date of receipt of the assessment order.
- For objection submission(s) [against assessment orders or rectified assessment orders or additional tax assessment orders] that are delayed as a result of the precautionary measures imposed by the government to counter the COVID-19 pandemic in Oman, the Tax Authority has clarified that such submission beyond the statutory period of 45 days will be permitted. The delay period will be treated as a 'force majeure' event, based on which such deferment would be granted.
- The onus once again lies on the tax payer to prove that the delay in submission beyond the statutory period for objection submission is due to the imposition of the government's precautionary measures.

Additional timeframe granted to submit supporting documents and clarifications for ongoing objection proceedings:

- Taxpayers have been given the opportunity to request an extension to submit their supporting documents and clarifications for the ongoing objections proceedings. This request is subject to the approval of the Tax Authority.
- The additional time granted by the Tax Authority in such cases shall be ignored from the overall timelines for objection disposal by the Tax Authority [which is currently five months from the date of filing of the objection with an extended time of an additional three months if desired by the Tax Authority].



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

- In addition to the above, on 23 March 2020, the CBO announced additional measures urging banks to identify the 'most critical functions', which need to be carried out without disruption, and provide suitable staff (and backup), both at the premises and working from home. These functions, at a minimum, should include:
 - Electronic/digital payments
 - Trade transactions
 - Online services
 - Treasury operations
 - International payments/remittances
 - Emergency loans
 - Processing of salary payments
 - Government transactions
 - Cheque processing
 - Call centers
 - ATM/CDM services
 - Fraud/cyber risk monitoring services
- Remittance services provided by local banks should be at minimum cost in view of the closure of money exchanges, as per the directives of the Supreme Committee
- Banks to waive charges levied on point of sale (POS) transactions
- Use of old cards to be enabled under prompt notification to customers wherever debit/credit cards could not be renewed, or renewed cards could not be delivered to customers
- Separately, the CBO has further extended the deadline for the completion and submission of audited financial statements/net worth statements for borrowers to 30 June 2020.

Other measures and sources

Customs-related measures

- The Omani customs authority has announced that where the importer is unable to obtain or produce the necessary authorizations (i.e., documents and certificates of the goods from the exporting country), the relevant goods will still be cleared.
- Further, the current requirement to obtain a guarantee for the non-submission of original legalized documentation has been waived until further notice.

Other relief measures

- Postpone loan instalments/premiums for small and medium establishments, i.e. fees payable to Al Raffd Fund, for the next six months
- Defer loan instalments/premiums payable to Oman Development Bank during the next six months
- Grant rent exemption to factories in industrial cities for a period of three months
- Exempt companies from Commercial Register renewal fees for the next three months
- Car (automobile) sale agencies and finance companies to postpone instalments/premiums of cars for a period of three months.

Main sources of information:

- Oman Government measures to address COVID-19:
<https://home.kpmg/om/en/home/insights/2020/04/omans-response-to-the-covid-19-outbreak.html>
- Tax Flash: Tax relief measures announced by the Oman Tax Authority:
<https://home.kpmg/om/en/home/insights/2020/03/tax-flash-tax-relief-measures-announced-by-the-tax-authority.html>

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As of 22 April 2020

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...)	Employment-related measures (e.g. state compensation schemes, training...)	Customs Measures
<ul style="list-style-type: none"> — The General Authority of Customs in addressing the effects of the coronavirus (COVID-19) pandemic has issued a directive exempting food and medical equipment from customs duties for a period of six months, effective from 23 March 2020. The exemption from customs duty applies for 905 different items listed in the customs clearance system. These included basic food items and a number of medical devices. — The General Tax Authority of Qatar issued guidance providing a two-month extension of the due date for filing tax returns for the year ending 31 December 2019. 	<ul style="list-style-type: none"> — Ministry of Public Health (MoPH) has published new guidelines on the working hours in the Medical Commission Department, starting from next Sunday (March 29). 	Duty relief <ul style="list-style-type: none"> — Customs duty exemption for food, medical equipment (COVID-19): the General Authority of Customs in addressing the effects of the coronavirus (COVID-19) pandemic has issued a directive exempting food and medical equipment from customs duties for a period of six months — The exemption from customs duty applies for 905 different items listed in the customs clearance system. These included basic food items and a number of medical devices

Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	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 "Azim" 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. — The Zakat Fund of the Ministry of Endowments and Islamic Affairs (Awqaf) has extended the assistance of QR29,225,852 to the beneficiaries in March 2020. The financial aid includes monthly support, one-time aid; treatment expenses, tuition fees; debtors, charity basket, and other assistance. This was paid for those entitled to following the Shariah regulations. — Cisco joins CRA's initiative to make remote work easy, secure — Hamad Medical Corporation (HMC) has announced guidelines for medication delivery through Qatar Post, yesterday. Patients can order their medication by calling 16000, select language, press 3 for HMC, and then 2 for medication delivery, HMC said on its social media accounts. — The Ministry of Commerce and Industry said that the second phase of mask distribution through pharmacies would begin from today. Residents can buy masks from select pharmacies by showing their Qatar IDs. An individual can get a maximum of 20 masks for QR40. — Qatar Airways helps Canadian, Australian and Georgian nationals reach home — Mental Support Service launched to assist Qatar residents in dealing with COVID-19 anxiety <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/tmf-qatar-two-month-extension-tax-return-filing-date-covid-19.html



Saudi Arabia (1/3)

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As of 22 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, and government has further announced to bear 60% of employees' salaries paid by the private sector to Saudi nationals for a period of three months and ceiling of \$2.39 billion.

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)	Other measures
<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 March, April, May and June 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. 	<ul style="list-style-type: none"> Saudi Government has announced to pay 60% of the salaries of Saudi employees working in the Private sector for a period of three months with a ceiling of USD 2.39 billion. The Compensation will be paid in accordance with the conditions stipulated in the unemployment insurance system (SANID) The Directorate General of Passports has begun to renew residency permits for all expatriate employees free of charge, for a period of three months if they were to expire between March and June 2020. It will also enable employers to refund fees of unused work visas. Allowing the employer and employee to agree within six months on either reducing the employee's wage to adjust with the actual work hours, or granting the employee a local leave to be deducted from his/her deserved annual vacation, or granting him/her an exceptional leave. The termination is further not legitimate once it became evident that the employer has benefited from any government subsidy to deal with this situation. The Ministry also allows a temporary benefit from the services of off-labor-market expatriates through the "Ajeer" portal as an alternative to recruiting from abroad, as the Ministry aims through this decision to protect workers during such circumstances from being terminated or losing their contractual benefits. The portal will soon offer the businesses to publish names of their excess workers. Employers can facilitate the return of their expatriate employees to their homelands, by submitting an application to the Ministry of Human Resources and Social Development an application (one application is allowed every 14 days and can include multiple names) Human Resource Development Fund has allocated SAR 5.3bn to support private sector enterprises to hire and train nationals. 	<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. SMEs that has 9 employees or less are exempted from paying expat levy for a period of 3 years for 2-4 expatriates. Postponing the payment of commercial registration fees to more than 116,000 commercial records 25% reduction of expat levy for operational factories until end of year. Postponing and restructuring the payment of loans installments for large and small factories small projects and medical projects due in 2020. Social Development Bank has issued a SAR 13bn initiative to support citizens, families and small establishments to cope with COVID-19 economical impact. Announced a 50 billion riyals (\$13.3 billion) allocation to ensure that government dues to the private sector are paid in a timely manner. Approved a 30% discount for two months on utility bills for the commercial, industrial and agricultural sector.



Economic stimulus measures

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

- 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. And as follows:

Deferred Payments Program

- Beneficiaries: All SMEs, according to the Institution Circular No. 381000064902, dated 16/06/1438 AH, and financing companies subject to the supervision of the Monetary Agency
- Postponement period: All outstanding installments (including accrued profits) from March 14, 2020 CE to September 14, 2020 CE.
- Funding bodies: Banks and finance companies subject to the supervision of the Saudi Arabian Monetary Agency.
- The value of the program reaches 30 billion riyals, and the program aims to reduce the potential impact of the decrease in the cash flows that SMEs may face, by delaying the payment of the obligations of the beneficiaries for a period of six months, and the amount allocated to the financing entities will be used to cover the cost of financing To those actors.
- The financing parties should communicate with the beneficiaries (by a certified means of communication) and notify them of the rescheduling of the financing and the postponement of the due installments according to the above-mentioned delay period, without any additional cost, while providing the option that the beneficiary does not wish to reschedule.
- Funding parties should communicate with the beneficiaries (by a certified means of communication) and notify them of rescheduling the financing and postponing the due installments according to the postponement period referred to above, without any additional cost, while providing the option that the beneficiary does not want to reschedule from rescheduling
- The program applies only to facilities classified in the first stage (according to the IFRS 9 standard) since the date of March 14, 2020 AD, and the facilities classified in the second and third stages are dealt with according to the usual procedures followed by the funding agencies.
- Funding parties must sign the necessary agreements with the monetary agency to implement the program.

Funding for Lending

- Providing concessional financing for SMEs in an amount up to (13.2 billion riyals), by granting facilities from banks and finance companies to the SME sector in order to support business continuity and growth in this sector during the current stage, and that contributes to supporting economic growth and maintaining The levels of employment in these establishments are as follows:
- Beneficiaries: All SMEs, according to Institution Circular No. 381000064902, dated 16/06/1438 AH, and finance companies subject to the supervision of the Monetary Agency.
- Funding bodies: Banks and finance companies subject to the supervision of the Monetary Agency.
- Duration of the program: One calendar year from the date of 14 March 2020, and extendable for an additional year, according to market conditions.
- Credit facilities will be provided at prices supported by the monetary agency for the account of the financing entities to enable them to grant subsidized loans to the beneficiaries.
- Amortization of the financing amount: The participating financing bodies must complete the financing of the beneficiaries within a maximum period of two weeks from the date of withdrawal from the credit facilities provided through the program to benefit from these facilities. If the funding bodies are unable to consume the amount during this period, it will be returned to the Monetary Agency.
- Payment term of financing: The financing is to be paid by the financing agency within a period of (36) months from the date of granting the financing to the beneficiaries.
- The financing parties are committed to grant financing to the beneficiaries according to the credit policy of the financing agencies at a competitive price.
- The financing authorities are obligated to open a separate bank account to implement the program.
- Periodic reports: Monthly reports are provided to the Monetary Agency regarding the performance of the program, including the funded and recovered amounts and what the organization deems appropriate.
- The participating financing bodies must take into consideration the cost of the support granted by the Monetary Agency during this program in pricing the credit facilities granted to the beneficiaries.
- The financing authorities must sign the necessary agreements with the monetary institution to implement the program.



Updated

Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Custom Measures
<p>Loan Guarantee Program</p> <ul style="list-style-type: none"> — Depositing an amount of (6) billion riyals for the benefit of the financing entities to enable them to exempt the micro, small and medium enterprises from the costs of the program of guaranteeing the financing of the micro, small and medium enterprises (guarantee) with the aim of contributing to reducing the cost of lending to the enterprises that benefit from these guarantees during the fiscal year 2020 AD and support Expanding financing. And as follows: — Beneficiaries: All SMEs, according to the Institution Circular No. 381000064902, dated 16/06/1438 AH, and financing companies subject to the supervision of the Monetary Agency. — Exemption period from March 14, 2020 CE to December 31, 2020 CE. — Quality of exemption: Exempting the beneficiaries from fees (issuance, renewal, extension, and rescheduling) of the guarantees issued by the sponsorship program. — Funding parties: banks and financing companies subject to the supervision of the Monetary Agency. The requests of the beneficiaries are submitted to the Kafala program according to the current procedures. — The financing entity must provide an official exemption notice to the facility benefiting from the guarantee program, including exempting the facility from fees due to the sponsorship program. — The financing authority should provide the Foundation with a statement stating the total fees paid for the sponsorship program on a monthly basis, provided that the statement includes the names of the establishments benefiting from the Foundation's support program, the amount of the fee paid for the sponsorship program and a copy of the exemption notice submitted to the facility, starting at the end of March 2020. 	<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. — In addition SAMA has been in continuous dialogue with local commercial banks to support certain sectors that are highly impacted by the current circumstances and therefore asking Banks for qualitative measures, including: <ul style="list-style-type: none"> - Extending working capital finance to all corporates in such sectors and addressing their short term liquidity requirements - Instigating Private Sector Job Retention Schemes – PSJRC for corporate customers in order to maintain the employment at these customers and providing concessional bridging loans for at least six months; - Introducing flexibility in repayments of Consumer Finance to individuals who have lost their job due to Covid-19. This includes the relief of repayment of the loan or mortgage payment for a period up to six months at no additional cost; - Waiver of all fees and other charges resulting from the use of digital banking for a period of up to six months; - Waiver of the minimum deposit balance requirement for the period of up to six months; and - Reviewing credit card interest rates and adjusting them to reasonable APR rate — The impact of such qualitative measures will be significant and its modalities are currently being discussed between Banks and SAMA. <p>Payment facilities</p> <ul style="list-style-type: none"> — The Saudi Customs Authorities has announced the postponement of the payment of customs duties for the most affected activities from the businesses-importers for a period of 30 days. This relief is available during three months from 22 March to 30 June 2020.

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As of 22 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

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

In a move designed to help affected businesses navigate the financial and administrative impact of COVID-19, the Federal Tax Authority (“FTA”) in the United Arab Emirates (“UAE”) has extended the due date for filing the excise tax return and payment of excise tax for the month of March 2020 by one month from 15 April 2020 to 17 May 2020.

To facilitate this extension within the existing legal framework, the FTA has extended the (monthly) tax period that commenced on 1 March 2020 by one month so that it will now end on 30 April 2020 instead of 31 March 2020 and will therefore be, in essence, a two month tax period.

Notwithstanding that tax period extension to 30 April 2020, the FTA announcement indicates that excise registered taxpayers will be required to:

- File separate excise tax returns for March 2020 and April 2020 by 17 May 2020; and
- Pay excise tax for March 2020 and April 2020 by 17 May 2020.

Dubai

The Dubai government on 12 March 2020 announced an economic stimulus package to enhance liquidity in response to the COVID-19 outbreak. Included in the package are the following measures:

- 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;
- A “freeze” on the 2.5% market fees levied on all facilities operating in Dubai;
- Reduction of “municipality fees” imposed on sales at hotels from 7% to 3.5%;
- A freeze on “fees” charged for the sale of tickets, issuance of permits and other government fees related to entertainment and business events;
- A reduction in water and electricity bills by 10% and a reduction in deposits paid for water and electricity connections by 10%;
- Changes to bank guarantees or cash requirement rules.

Abu Dhabi

Abu Dhabi has also announced initiatives focused on supporting small and medium-size enterprises (SMEs) and easing the availability of loans to local companies and include:

- Suspension of real estate registration fees until the end of 2020;
- Reduction of industrial land leasing fees by 25% on new contracts;
- Suspension of tourism and municipality fees for the tourism and entertainment sectors until the end of this year;
- Exemption for commercial vehicles from annual registration fees until the end of this year;
- Exemption for all vehicles from road toll tariffs until the end of this year.



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 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"> — 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 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/2020/03/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/2020/03/tnf-uae-customs-duty-refunds-customs-relief-in-dubai-covid-19.html

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As of 22 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...)*

In framework of the implementation of the tax relief measures adopted by the public authorities to support companies financially impacted by the health crisis that the country is going through, it is brought to the attention of taxpayers that the tax authorities have adopted the following measures:

Postponement of tax returns:

Monthly Tax Return series G n°50: (Taxpayers under the common regime and liberal professions)

- Extension of the subscription period for Monthly Declaration G n°50 of both February and March months and payment of related duties and taxes, to until May 20th, 2020.
- As a result, taxpayers will be required to subscribe the three declarations (February-March-April) till the date above-mentioned and to pay the related duties.
- Therefore, the taxpayers registered before the Direction of Big Enterprise ("DGE"), remain declaring and paying the due taxes online.

Quarterly declaration series G n°50 ter: (Taxpayers under the IFU - declaration and payment of the tax return on salaries ('IRG/salaries') for the first quarter of 2020)

- Extension of the subscription deadline for the quarterly declaration series G No. 50 ter (tax return on salaries ('IRG / salaries') (January-February-March), until 20 May 2020.

Annual Statement of Incomes: (Common regime)

- The subscription deadline of the annual statement of income (balance sheet and appendix) is extended to 30th June 2020.
- For the companies registered before the DGE, the subscription deadline to the annual statement of incomes is extended to 31th May 2020.
- Moreover, for reminding the deadline for settling the IBS balance amount is twenty (20) days, starting from the date of subscription of the annual declaration.

Annual Statement of Incomes series G n° 1: (Sole proprietorships)

- The subscription deadline of the annual statement of incomes is extended to 30th June 2020.

Reconduction of payment of the first instalment on IRG/IBS:

- The deadline for payment of the 1st IRG/IBS instalment is extended until 20th June 2020.

Repayment schedules:

- The taxpayers who find themselves under difficult financial situation may request a repayment schedule for their tax debts.
- And, the ones who previously benefit from a repayment schedule, can request for an adjustment of their schedule in case of cash flow difficulties.

Suspension of the taxation of non-affected benefits:

- The taxation of profits non allocated of the financial years 2016 and following, as provided by the provisions of Article 15 of the Finance Law for 2020, is suspended.



Employment-related measures

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

Social measures

Payment of social security contributions at the level of all agencies:

- The Ministry of Labor, Employment and Social Security has authorized the employing bodies, by means of a communiqué, to proceed with the payment of social security contributions at the level of all agencies throughout the national territory, without having to go to the agencies to which they report.
- Thus, from 22 March 2020 and until further notice, employers will be able to deposit their cheques or notices of payment of social security contributions at the level of each structure under the responsibility of the Caisse Nationale des Assurances Sociales des Travailleurs Salariés (CNAS), whether it is a payment center or a collection service.

Use of tele-declaration services:

- The same Ministry has announced the possibility for non-employed workers and employing organizations to make use of tele-filing and tele-payment services for the payment of contributions

Measures relating to the organization of human resources

- For workers in the public sector [Institutions and public administrations]:
- An executive decree¹ on measures to prevent and control the spread of the COVID-19 published in the Official Gazette No. 15, on Sunday, 22 March 2020, brought a series of so-called exceptional measures, applicable to the entire national territory for a period of fourteen (14) days.
- Under the terms of the said decree, at least 50% of the staff of each institution and public administration shall be placed on exceptional paid leave for the aforementioned period.
- In addition, the following personnel are excluded from the above measure:
 - Healthcare workers regardless of employer;
 - The personnel under the General Directorate of National Security;
 - The personnel under the General Directorate of Civil Protection;
 - The staff under the General Directorate of Customs;
 - The staff under the General Directorate of Penitentiary Administration;
 - The staff of the Directorate General of National Communications;
 - Quality control and fraud control personnel;
 - The personnel coming under the veterinary authority;
 - The personnel coming under the phytosanitary authority;
 - Staff assigned to hygiene and cleaning missions;
 - Staff assigned to surveillance and security missions;

- By decision of the competent authority, staff essential for the continuity of vital public services may also be excluded from the measure provided for above.
- The decree specified that pregnant women, women raising children, as well as people with chronic diseases and those with medical vulnerabilities, are considered to have priority for exceptional leave.

For workers in the private sector:

- In a press release dated 23 March 2020, the President of the Republic declared that the measure relating to the release of 50% of the workforce, applicable to workers in institutions and administrations in the economic and public service sectors is also applicable to the private economic and service sectors.

**Economic stimulus measures***(e.g. loans, moratorium on debt repayments...)***Measures taken by the Bank of Algeria:**

- 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.
- The Bank of Algeria has allowed the authorized intermediary banks, through a note, to receive documents relating to import operations by electronic means supported by a confirmation swift from the bank sending the documents.
- These documents received electronically can be used to complete all banking and customs formalities applicable to import operations.
- It remains understood that the authorized intermediary bank must indicate on each of the documents received the direct debit number relating to the import operation in question

In the current context of the spread of the COVID-19 pandemic and in application of the instruction 05/2020 of April 6, 2020 issued by the Bank of Algeria, banks and financial institutions will examine the individual situation of each customer (individuals, professionals, VSE, SMEs/SMIs, large companies, etc.) and take appropriate measures:

- Postponement and/or renewal of maturities of credits arriving on or after 31 March 2020
- The consolidation of unprocessed receivables as of March 31, 2020 and thereafter
- Extension of deadlines for the use of appropriations and deferrals of payments
- Cancellation of late payment penalties for receivables due on or after March 31, 2020
- Maintaining and/or renewing operating lines of credit

The measures decided upon shall apply for a period of six months from 31 March 2020.

Suspension of contractual deadlines and application of penalties for late payment:

- In order not to penalize companies that are unable to carry out the works and services provided for in the contracts, the Instruction would provide for the application of the provisions of Article 147 of Presidential Decree No. 15-247 of September 16, 2015, regulating public procurement and public service delegations ("Public Procurement Code"), drafted as follows: "Exemption from late payment penalties is the responsibility of the contracting department. It shall apply when the delay is not attributable to the contracting party to whom orders to stop or resume services are issued in this case. In the event of force majeure, deadlines are suspended and delays do not give rise to the application of late penalties within the limits set by the orders to stop and resume services taken as a result by the contracting service. In both cases, exemption from penalties for delay shall give rise to the issue of an administrative certificate. »

- More specifically, the instruction would provide for "the suspension of contractual deadlines and the non-application of financial penalties for delays within the limit set by the orders to stop and resume services issued by the contracting service as a result", in particular under the following conditions:

- The suspension of the application of penalties for delay is applicable from the date of publication of Executive Decree No. 20-69 of 21 March 2020, relating to measures to prevent and combat the spread of the Coronavirus;
- The suspension of deadlines and the application of penalties for delay, as provided for in Article 147 of the Public Procurement Code, must be applied by the contracting authorities, at the request of contracting companies

Securing the payment of receivables held by these companies for public procurement

- In order to cushion the financial consequences of this crisis on public and private construction companies and on employment, the Instruction would provide that the Minister of Finance is responsible for releasing and notifying, under the seal of urgency, to the various contracting authorities, the payment credits and revaluations necessary for the payment of claims held by these companies under public contracts.
- Lastly, the Instruction would state more broadly that the Government will continue to examine all ways and means of responding to the difficulties encountered by Algerian enterprises as a result of the health crisis, which attaches "the utmost importance to the rigorous and diligent application of the present instruction



Other measures and sources

Main sources of information:

- 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/communiqu15032020.pdf>
- Professional Association of Banks and Financial Institutions: <https://www.abef-dz.org/abef/index.php>
- Large Companies Department (DGE): <http://www.dge.gov.dz/>
- General Taxation Department: <https://www.mfdgi.gov.dz/>
- CNAS: <https://teledeclaration.cnas.dz>
- Caisse nationale de sécurité sociale des non-salariés (CASNOS): <https://eservices.casnos.com.dz>
- Caisse nationale des congés payés et du chômage intempéries des secteurs du BTPH (CACOBATPH): <https://www.tasrihatcom.dz>

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As of 22 April 2020

General Information

The Minister of Finance and Economic Development on 31 March 2020 announced government's plan for tax relief as part of broad measures to mitigate the impact of the coronavirus (COVID-19) pandemic.

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...)	
<p>The following tax relief is being provided:</p> <ul style="list-style-type: none"> — Deferral of 75% of any two self-assessment tax (SAT) quarterly payments due between March and September 2020, with payment of the deferrals to begin from March 2021. — Waiver of payment of the “training levy” (e.g., for youth employment), suspended for six months. — Wage subsidies for businesses registered for tax, regardless of whether they owe tax (unless specifically exempted, COVID-19 wage subsidies are to be taxable). — Expedited refunds of value added tax (VAT), with refunds to be made within 21 days from the date of filing the VAT return (instead of the 60 day period for a refund). — VAT refund periods for businesses with annual turnover in excess of BWP250 million will be negotiated on a case-by-case basis. 	<ul style="list-style-type: none"> — The implementation of a Covid-19 Wage Support Scheme 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 	<p>Monetary policy</p> <ul style="list-style-type: none"> — The Government is also setting up a COVID-19 (CoronaVirus) Pandemic Relief Fund into which it will inject P2billion. The private sector is called upon to generously contribute to the Fund. Such contributions will be tax deductible only if Fund is prescribed by the Minister and approved by the Commissioner General. 	<p>Use of electronic platforms</p> <ul style="list-style-type: none"> — Manual statutory filing will not be possible during the lockdown period. To avoid incurring late payment and / or late filing penalties taxpayers are thus encouraged to utilize the online compliance platforms provided by the tax authority. Where it is not possible to comply with tax obligations because of, for example, failure of the electronic platforms, impossibility to submit returns because of the lockdown, clients should request tax authority to waive any interest or penalties that may be levied. <p>Use of electronic platforms</p> <ul style="list-style-type: none"> — In addition to fiscal measures the Government, under the Emergency Powers Act (Cap.22.04), published regulations on 2 April 2020 aimed at avoiding and containing the spread of the COVID-19. The regulations became effective immediately on publication i.e. 2 April 2020. The measures include prohibition of entry into Botswana of travellers from or who have transited through specified high risk countries, mandatory quarantine for returning residents, suspension of visa issuance, prohibition of movement for persons who have tested positive for COVID-19 and mandatory social distancing which prohibits non-essential movement of people within Botswana. A range of services have been specified as essential. Heavy fines, penalties and/or imprisonment may be imposed for non-compliance with the Regulations. <p>Main sources of information:</p> <ul style="list-style-type: none"> — Tax relief measures (COVID-19) https://home.kpmg/us/en/home/insights/2020/04/tmf-botswana-tax-relief-measures-covid-19.html

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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.

The Egyptian tax authorities extended the deadline for individuals to file their income tax returns in response to the coronavirus (COVID-19) pandemic. The deadline for filing individual income tax returns is 16 April 2020 (extended from 31 March 2020).

However, there has been no announcement of extended deadlines for filing corporate income tax returns. Corporate taxpayers, therefore, must file an extension request.

The tax authority is also allowing taxpayers the option of remitting tax payments either electronically or through bank cheques.

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As of 22 April 2020

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 (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)	Other measures and sources
<p>Tax measures are being discussed - it is expected that an announcement will be made shortly. According to the information provided by the tax administration, the following 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 22 April 2020

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 (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>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 COVID19; — 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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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
(e.g. payment deferrals, rate reductions...)

Tax-related implications in Ghana associated with the COVID-19 pandemic include:

Corporate Income Tax

- The outbreak is a non-adjusting event as at 31 December 2019 since little was known of the virus. Therefore, the outbreak posed minimal tax consequences as at 31 December 2019. The reason being that, adverse adjustments such as increase in provisions including bad debts and impairments (which are treated as non-allowable expenses under our current Income Tax Act, 2015 (Act 896)) that may arise as a result of the pandemic may not be required.

Payment and Filing of Tax Returns

- The Revenue Administration Act, 2016 (Act 915) provides for taxpayers to apply for extension of time to file and pay tax. The Commissioner-General may grant the approval if good cause is shown. It, therefore, suffices to say that, our tax laws have made provisions for taxpayers' inability to file on time in event of uncertainties. As a result, where it can be envisaged by taxpayers that they will be unable to file their tax returns by the due dates, an opportunity for extension could be sought for a maximum period of two months. Should the outbreak persist at the end of the two (2) months extension period, what avenues may be available?
- Based on the the current tax law, no further extension can be granted by the Commissioner-General for the submission of tax returns. Failure to file a return on the due date will, in principle, result in penal charges. With regards to payments of tax due, taxpayers are currently able to pay taxes via wire transfer. Therefore, a lockdown will generally not impact the payment of any tax due but might affect filing of returns which still requires the physical presence at the Tax office.

Personal Income Tax

- The Ghana tax system taxes individuals on residency basis. As such, a non-resident becomes resident for tax purposes if present in the country for an aggregate period of one hundred and eighty-three (183) days or more in any twelve-month period that commences or ends during the year of assessment. This law does not take into consideration a non-resident who has overstayed and thus attained residency status as a result of the pandemic.
- Therefore, where there is no legislative instrument that amends this provision, instead of the individual being subject to tax in Ghana at the non-resident rate of 25%, that individual will be subject to tax at the graduated tax rate with 30% being the highest marginal rate on annual taxable income exceeding GHS240,000.

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As of 22 April 2020

Employment-related measures (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<ul style="list-style-type: none"> Workers have been asked to work from home whenever possible. 	Monetary policy <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. 	Customs Measures <ul style="list-style-type: none"> No specific changes have been announced yet in respect of custom duties. Main sources of information: <ul style="list-style-type: none"> Ghana: COVID-19 - Tax Implications: https://home.kpmg/gh/en/home/insights/2020/03/gh-covid-19-tax-implications.html

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As of 22 April 2020

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: 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. 	<ul style="list-style-type: none"> On 21 March 2020, the CBWAS took major measures, in order to mitigate the negative impact of the sanitary crisis: 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. The government announced several measures to preserve the key sectors of the economy: 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 CFAP 50 billion, including CFAP 20 billion for inputs 	<ul style="list-style-type: none"> On March 30, the Government announced the following social measures to support individuals and domestic homes: 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 CFAP 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 22 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 (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
Fiscal policy <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% with effect from 1 April 2020 - Decrease of the resident corporate income tax from 30% to 25%. — These measures will come into force once approved by the National Assembly. 	<ul style="list-style-type: none"> — Government workers have been asked to work from home where possible. 	Monetary policy <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. 	Main sources of information: <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_covid19.html

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As of 22 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
<ul style="list-style-type: none"> — Postponement of the deadline for declaration of the communication right on goods sold and sums paid to third parties to 15 May 2020. — Tax deductibility of expenses incurred by companies to fight against the COVID-19 outbreak. — Extension of the deadline for submitting requests for VAT credit refunds until the 10th day following the official end of the partial lockdown period. — Extension of the deadline for submitting the claim for reimbursement of VAT credits until the 5th day of the official resumption, even partial, of the activities of the tax authority. — Extension to 15 May 2020 of the deadline for the declaration and payment of the presumptive tax <p>For the tourism sector:</p> <ul style="list-style-type: none"> — Suspension of the bi-monthly CIT instalment payment. — Extension to 30 June 2020 for reporting and payment obligations but the deadline for all deductions made on behalf of the State remains the same (such as VAT). 	<p>Monetary policy</p> <ul style="list-style-type: none"> — The International Monetary Fund approved on 3 April 2020 an emergency financing of 165.99 million dollars in Madagascar to help the country meet its urgent needs in the face of the pandemic of the new coronavirus COVID-19. 	<p>Use of electronic platforms</p> <ul style="list-style-type: none"> — To avoid social interactions, e-payment via e-Hetrayment is already available to companies. — Companies attached to the tax authorities of the Analamanga region and having the tax identification number can declare and pay the presumptive tax via e-Hetrphone with their AirtelMoney, Mvola or Orange Money account. <p>Sources</p> <ul style="list-style-type: none"> — Website of the tax authority http://www.impots.mg/ — Website of the Ministry of Economy and Finance http://www.mefb.gov.mg/

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As of 22 April 2020

General
Information

Mauritius has focused on tax and financial facilitation measures comprising the removal of penalties for those taxpayers unable to submit returns due to the lockdown) and employment-related measures in the form of Wage Scheme Assistance to ensure that economic operators maintain essential economic activities. Operating constraints remain led by a national confinement which started on 18 March 2020 and sanitary curfews limiting movement of human capital in an effort to quarantine the coronavirus. Distribution activities, retail and customs are operational 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 Mauritius Revenue Authority (MRA) announced that taxpayers that 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.
- A “double tax deduction” and a 5% tax credit on certain IT system purchases available to employers in an effort to promote employee telecommuting and working from home are available through 30 June 2020.
- Companies also may be eligible for certain enhanced tax deductions for plant and machinery acquired during the period 1 March 2020 through 30 June 2020.

Employment-related measures

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

Particular considerations for employees (under the Workers' Rights Act 2019)

- Workers' **rights will not be impacted** if they are forced not to work
- Both public and private sector are being asked and encouraged to work from home
- COVID-19 **Work Access Permits** have been issued to key persons of all organisations who need access to their place of work
- All companies in Mauritius can apply for **Wage Assistance subsidy** to alleviate the employee cost for the month of March ranging from 15 days basic wage bill to MUR 12,500 per employee;
- Workers from the informal sector, i.e self employed not registered with the revenue authority will **get 50% of the prevailing minimum wage** if they register with the revenue authority during the COVID19 lockdown.
- **Priority sectors for assistance** are 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.



As of 22 April 2020

Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<ul style="list-style-type: none"> — The Mauritius Government has applied for a grant of MUR 26bn from the world bank — The Central Bank will allow households impacted by COVID-19 a moratorium of six (6) months on capital repayments on their existing household loans as from the 1st of April 2020. Low income groups will see the Bank of Mauritius bear the interest payable on outstanding household credits with commercial banks up to June 2020. — The BOM has initiated a USD/MUR swap arrangement with commercial banks for an initial amount of USD100 million to enable commercial banks to support import-oriented businesses, except for the State Trading Corporation which will be dealing directly with the Bank of Mauritius for its foreign currency requirements until further notice. — The Bank of Mauritius has removed shared ATM fees and will continue to maintain adequate supply of banknotes to commercial banks for their ATMs(Source: BOM website) — Non renewal of road taxes and vehicle insurance will not be enforced for a period of one month. — Electricity consumption rates have been reduced for low income groups and small businesses. 	<ul style="list-style-type: none"> — Capital Market activity has been suspended. The Stock Exchange of Mauritius has suspended all trading until further notice. — The NBFS regulator (FSC) will not charge administrative penalties for late filing and reporting obligations due for end March 2020, arising strictly because of the COVID-19 curfew period, provided submissions due for end March 2020 are made on or before 30 June 2020. — The Stock Exchange of Mauritius are accepting late filings — The Registrar of Companies and Directors of Insolvency are accepting email notifications and late filings and assisting with derogations

**CONTACTS:****Tax:** Aziz El Khattabi – aelkhattabi@kpmg.com**Legal:** Insaf Haitof-Pacaud – ihaitof@kpmg.com**As of 22 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 (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
<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



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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



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	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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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*(e.g. payment deferrals, rate reductions...)*

- 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:
 - 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
 - Filing of tax returns by taxpayers without audited financial statements which must be submitted within two months of the revised due date of filing
 - Proposed creation of a portal where documents required for desk reviews and tax audits will be uploaded by taxpayers for online access by the tax authority.
 - Submission of tax returns online by taxpayers via efiling.firs.gov.ng or by designated e-mail accounts published by the FIRS.
 - Taxpayers facing challenges in sourcing foreign exchange (FOREX) to settle tax liabilities on their FOREX-denominated transactions are permitted to pay the Naira equivalent, based on the prevailing Investors & Exporters FOREX window rate on the day of payment
 - Extension of personal income tax (PIT) returns filing deadline for personnel of Foreign Affairs, Military and Police, and non-resident persons by three months from 31 March 2010 to 30 June 2020
- In addition, an “Emergency Economic Stimulus Bill, 2020” was introduced to:
 - Grant a tax rebate of 50% of the actual amount due or paid as pay-as-you-earn, to Nigerian companies who retain all their employees from 1 March 2020 to 31 December 2020.
 - Suspend import duties on medical equipment, medicines and personal protective gears required for treatment and management of COVID-19 for three months, effective 1 March 2020.
 - Introduce a new moratorium on mortgage obligations of Nigerians under the National Housing Fund.



Employment-related measures (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	
<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. The House of Reps on March 24, passed a bill which seeks to: <ul style="list-style-type: none"> Protect employees from loss of jobs by granting a 50% income tax rebate on the total amount due or paid as pay-as-you earn (PAYE) tax. 	<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". The CBN has unified exchange rates for Inter-Bank and Parallel markets rates to ease pressure on FOREX earnings as oil price continues to plummet <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) Creation of N50 billion target credit facility for affected households and small and medium enterprises Granting regulatory forbearance to banks to restructure terms of facilities in affected sectors Improving FX supply to the CBN by directing oil companies and oil servicing companies to sell FX to the CBN rather than the Nigerian National Petroleum Corporation 	<ul style="list-style-type: none"> Additional N100 billion intervention fund in healthcare loans to pharmaceutical companies and healthcare practitioners intending to expand/build capacity Identification of few key local pharmaceutical companies that will be granted funding facilities to support the procurement of raw materials and equipment required to boost local drug production <ul style="list-style-type: none"> The CBN has adopted a unified exchange rate system, and pushed the official rate of the naira to N360 to dollar for International Money Transfer Operators rate to banks For on-lending facilities financial institutions have been directed to engage International development partners and negotiate concessions to ease the pains of the borrowers. <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. Commencement of a three month repayment moratorium for all TraderMoni, MarketMoni and FarmerMoni loans Similar moratorium to be given to all Federal Government funded loans issued by the Bank of Industry, Bank of Agriculture and the Nigeria Export-Import Bank.



Other measures and sources	Customs Measures
<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>Suspension of new electricity tariffs:</p> <ul style="list-style-type: none"> — On April 1st, the Nigerian Electricity Regulatory Commission (NERC) suspended the payment of the new electricity tariffs scheduled toon April 2nd, citing poor electricity supply, wide metering gap and the impact of the COVID-19 pandemic <p>Reduction in Price of PMS</p> <ul style="list-style-type: none"> — On April 2nd, the Federal Government further slashed the price of Premium Motor Spirit, PMS to N123.50 per liter, with effect from April 1, 2020 following the continued downward trend in oil price — No changes to Customs requirements as at 31 March 2020. — Extension of filing due date for Value Added Tax (VAT) from the 21st day to the last working day of the month, following the month of deduction <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 — Nigeria introduces tax and economic measures in response to COVID-19 pandemic: https://home.kpmg/ng/en/home/insights/2020/03/nigeria-introduces-tax-and-economic-measures-in-response-to-covi.html — National Assembly https://www.nassnig.org/news/item/1472 — Central Banks of Nigeria — PPPRA — Federal Ministry of Information and Culture <p>https://fmic.gov.ng/address-by-h-e-muhammadu-buhari-president-of-the-federal-republic-of-nigeria-on-the-covid19-pandemic-sunday-29th-march-2020/</p> <ul style="list-style-type: none"> — The Nigerian Electricity Regulatory Commission <p>https://nerc.gov.ng/index.php/component/remository/NERC-Orders/NERC-Order-On-The-Transition-To-Cost-Reflective-Tariffs-In-The-Nigerian-Electricity-Supply-Industry/?Itemid=591</p> <ul style="list-style-type: none"> — FIRS Notice on Filing - Updates in light of Covid-19 - published March 2020 	<p>Export of mask</p> <ul style="list-style-type: none"> — Some restrictions on exportation of masks have been implemented. <p>Other measures</p> <ul style="list-style-type: none"> — Authorities are considering a wide range of COVID-19 support measures, including reductions of customs duty and customs audits but such measures are not officially announced



Republic of Congo (1/2)

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As of 22 April 2020

Updated

Employment-related measures

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

- 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 as 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.
- Non-application of penalties for social declarations in March, made after the statutory deadlines

Main sources of information

- Notice no 0045/20/DDK/PN of the Director of Social Administration, Pointe-Noire (f.n CNSS) dated 31st March 2020

Economic stimulus measures

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

- Creation of a fund (XAF 100 Billions) in order to help companies and vulnerable population. No further details communicated as of 31st March 2020
- Issuance of treasury bills and bonds to boost government budget revenue
- Free water and electricity for all households during the confinement period
- Financial aid of 4 billion FCFA granted to households and people experiencing poverty

Main sources of information

- Statement of the Congolese President on COVID-19 dated 28 March 2020



Updated

Other measures and sources

Tax Measures and Customs measures (Source : Statement of the National Coordination for COVID-19 of April, 10th 2020)

- Suspension for three (3) months, starting in April, of all controls initiated in companies by public administrations (IG, IGE etc.) as well as those initiated by organizations under the authority of local authorities. Are not concerned, controls related to the fight against expensive life and security
- Adjustment of tax obligations applicable to companies :
 - Non-application of penalties for tax declarations for March, made after the statutory deadlines
 - From April 1, 2020 suspension for two (2) months, all tax audits including on-site inspections or documentary checks, general accounting checks. As a result, all response or prescription periods are postponed accordingly. If necessary, this period may be extended depending on the evolution of the health emergency situation
 - The deadline for declaring companies' financial statements has been extended to August 25, 2020
 - Postponement to August 25, 2020 of the payment of the liquidation balance of corporate tax and IRPP category BIC for 2019. For 2019 corporate tax, possibility to pay the liquidation balance according to a monthly schedule to be settled no later than December 31, 2020
 - For indirect taxes and taxes due by third parties with monthly payment for which the company or the legal debtor is the collector, the payment declarations are maintained.
- With regard to direct taxes, with the exception of the Single Tax on Wages (TUS), for which the company or the legal and actual debtor bears the charge, the deadline is extended by one (1) month from expiration during the containment period. Thus, the deadlines for the fulfillment of the declarative obligations and for the payment of direct taxes for the month of April which must take place from May 10 to 20, 2020 are postponed from June 10 to 20, 2020, and so on, until further notice.
- Reduction of corporate tax rate for 2020, from 30% to 28%
- Reduction in the Flat-rate Global Tax, from 2020, from 7% to 5% of the annual turnover excluding taxes for operators selling products with free margin from 10% to 8% of the annual global margin excluding taxes for operators selling products at regulated prices and with controlled margins. These provisions are applicable to operators who keep accounts according to the Minimum Cash System (SMT)
- Exemption of 100% granted to donations made to fight against COVID-19
- Facilitation and speed of customs clearance procedures for goods, particularly pharmaceuticals, medical equipment and basic foodstuffs
- Non-application of inspection fees, in accordance with the 2020 Finance Act
- Suspension of customs controls for three (3) months, starting in March, with the possibility of extension after evaluation of the health emergency situation

**CONTACTS:**

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Legal:

As of 22 April 2020

General Information

The International Monetary Fund (IMF) has approved \$109.4 million credit to Rwanda. The disbursement will help the country, which has registered 84 coronavirus cases so far, to address the pandemic. The emergency assistance is drawn under the Rapid Credit Facility (RCF), which provides rapid concessional financial assistance with limited conditionality to low-income countries. It will serve to meet Rwanda's urgent balance of payment needs stemming from the outbreak.

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>Rwanda Revenue Authority (RRA) released a public notice on 20th March 2020 providing short term measures to support taxpayers. These measures include:</p> <ul style="list-style-type: none"> — Suspension of Tax Audit: Effective 18th March, post - clearance and comprehensive tax audits have been put on hold for a period of 30 days, exception is made to desk audits which remain as planned. — Extension of Financial Statements Certification: The revenue authority has provided a relief to taxpayers required to submit certified financial statements on 31 March 2020 by granting an extension to file the certified accounts by 31 May 2020. — For taxpayers seeking for amicable settlements of their tax obligations arising from audits, the Tax Authority has waived the down payment requirement of 25% of the outstanding tax liability that ought to be paid before the case is accepted by the RRA. — Larger taxpayers filing deadline has been extended by fifteen (15) days and these taxpayers will be expected to file the returns and pay Corporate Income Tax due by 15th April 2020. Small and Medium Taxpayers have been granted an extension of one month and they will be expected to file the tax returns as well as pay their Corporate Income tax by 30th April 2020. 	<p>Monetary Policy</p> <ul style="list-style-type: none"> — On 18 March, the National Bank of Rwanda (BNR) announced the below measures to banks: <ul style="list-style-type: none"> - Extended lending facilities to banks (FRW 50 B fund) for distressed banks at CBR rate, tenure extended to 3,6,12 months. — NBR committed to undertake the following: <ul style="list-style-type: none"> - Encourage use of digital channels and contactless mobile payments: for the next 3 months and w.e.f 19th March 2020 Mobile Network — Operators and Banks agreed to; <ul style="list-style-type: none"> - Zero charges on all transfers between bank accounts and mobile wallets - Zero charges on all mobile money transfers - Zero merchant fees on payments for all contactless Point of Sale (mobile and virtual POS) transactions - Limits for individual transfers using money wallets increased from FRW 500,000 to FRW 1,500,000 for Tier 1, and FRW 1,000,000 to FRW 4,000,000 for Tier II customers. 		<p>Main sources of information:</p> <ul style="list-style-type: none"> — Country is on total lockdown until April 19th 2020. — Rwanda Tax Alert - RRA short-term measures to support taxpayers — Rwanda Tax Alert - Additional RRA short-term measures to support taxpayers

**CONTACTS:****Tax:** Ndiaga Sarr – ndsarr@kpmg.sn**Legal:** Ndeye Diarra Diouf – ndiouf@kpmg.sn**As of 22 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).

**Tax measures – Direct and Indirect - amounts in XOF
(e.g. payment deferrals, rate reductions...)**

- Reimbursement by the State of VAT credits within shortened deadlines to deliver cash to companies;
- Tax rebates and suspensions granted to companies which undertake to keep their workers in activity for the duration of the crisis, or to pay more than 70% of the wages of non-active employees during this period. This cash facility concerns the deductions made from salaries and social contributions that private sector companies pay to the Social Security Fund and IPRES (Retirement pension fund institute in Senegal);
- Small and Medium-sized Enterprises whose turnover is less than or equal to 100 million, and companies operating in the sectors most affected by the pandemic, in particular tourism, catering, hotels, transport , education, culture and medias, will benefit from a deferred payment of taxes until July 15th, 2020;
- Under investment support, extension of the general deadline for payment of suspended VAT collected by customs and tax services from 12 to 24 months; which represents a deferral of payment of 15 billion on the year 2020;
- Partial remission of the tax debt recorded on December 31st, 2019, due by companies and individuals, for a total amount of 200 billion;
- Suspension of the collection of the tax and customs debt of the companies most affected by COVID-19;
- Deduction of donations from their future tax result for companies and individuals who support FORCE COVID-19 in the form of donations paid to the account opened at the Public Treasurer

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

- Tax rebates and suspensions granted to companies which undertake to keep their workers in activity for the duration of the crisis, or to pay more than 70% of the wages of non-active employees during this period. This cash facility concerns the deductions made from salaries and social contributions that private sector companies pay to the Social Security Fund and IPRES (Retirement pension fund institute in Senegal);

**CONTACTS:****Tax:** Ndiaga Sarr – ndsarr@kpmg.sn**Legal:** Ndeye Diarra Diouf – ndiouf@kpmg.sn**As of 22 April 2020****General Information**

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

- Tax rebates and suspensions granted to companies which undertake to keep their workers in activity for the duration of the crisis, or to pay more than 70% of the wages of non-active employees during this period. This cash facility concerns the deductions made from salaries and social contributions that private sector companies pay to the Social Security Fund and IPRES (Retirement pension fund institute in Senegal);



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<ul style="list-style-type: none"> — 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 — Safeguarding macroeconomic and financial stability to support the private sector and maintain jobs through a liquidity injection program accompanied by fiscal and customs measures — Thus, 302 billion will be spent on payment due to the state's suppliers; — The rules and priorities of payment contributing to the objective of economic stability will be published and shared with companies, which will undertake to maintain salaries and wages to their employees; — Establishment of an envelope of 100 billion specifically dedicated to the direct support of the sectors of the economy affected the most by the crisis, in particular transport, hotel industry but also agriculture; — Establishment of a financing mechanism up to 200 billion, accessible to affected companies, according to a simplified procedure; — Reorganization of the national budget by cuts on operating expenses and deferring investments; which corresponds to a saving of 159 billion. Also The government will secure 178 billion to partially cover losses in budget revenue caused by the crisis. 	<ul style="list-style-type: none"> — 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). <p><u>Other Social measures</u></p> <ul style="list-style-type: none"> — Support for the health sector to the tune of 64.4 billion, to cover all the expenses linked to the response against COVID-19. — Reinforcement of the population's social resilience based on the State's following expenses' assumptions: <ul style="list-style-type: none"> - 15.5 billion, for the payment of electricity bills of households subscribing to the social bracket, for a two-month period; or approximately 975,522 households; - 3 billion, to cover the water bills of 670,000 households subscribed to the social bracket, for a two-month period; - 69 billion, instead of the 50 billion initially planned, for the purchase of food for the benefit of one million eligible households; — 12.5 billion, to help the diaspora <p><u>Main sources of information:</u></p> <ul style="list-style-type: none"> — Government of Senegal: Covid-19 official Portal: https://covid19.sec.gouv.sn/

**CONTACTS:****Tax & Restructuring:** Joubert Botha: joubert.botha@kpmg.co.za**Legal:** Duffy, Melissa: melissa.duffy@kpmg.co.za**As of 22 April 2020****Updated****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; including a nationwide lockdown effective for 21 days from midnight on Thursday 26th March 2020. On Thursday 9th April 2020, the President announced a further two-week extension and the lockdown will now be lifted at midnight on Thursday 30th April 2020. On 1 April 2020, the draft Disaster Management Tax Relief Bills, 2020, were published. These draft bills provide for tax measures in order to assist with alleviating cash flow burdens on tax compliant small to medium sized businesses arising as a result of the COVID-19 pandemic and lockdown and to provide for matters connected therewith. Tax relief measures introduced include a delay of remittances of the "Pay As Your Earn" (PAYE), without triggering penalties or interest, a delay in the remittances of provisional payments of income tax, without triggering penalties or interest and an acceleration of certain employment tax incentives. The period for commentary on the draft bills closed on 15 April 2020.

Tax measures – Direct and Indirect*(e.g. payment deferrals, rate reductions...)***Provisional Tax Relief - Corporates, Trusts, Individuals**

Included in the draft Disaster Management Tax Relief Administration Bill are measures to provide for the deferral of provisional tax by qualifying taxpayers and qualifying micro businesses.

A "qualifying taxpayer" is defined as:

- A company, trust, partnership or individual;
- That is a taxpayer as contemplated in the Tax Administration Act;
- That is tax compliant as contemplated in the Tax Administration Act;
- That has gross income of R50 million or less during the year of assessment ending on or after 1 April 2020 but before 1 April 2021; and
- Whose gross income for the year of assessment does not include more than 10% income derived from interest, dividends, foreign dividends.

For "qualifying taxpayers" the draft Disaster Management Tax Relief Administration Bill provides:

- That first provisional tax payments, due between 1 April 2020 and ending on 30 September 2020 will be reduced to 15% (normally 50%) of estimated total tax liability. No penalties and or interest will be levied by the South African Revenue Service (SARS) as a result of the reduced payment.
- That second provisional tax payments, due between 1 April 2020 and 31 March 2021 will be based on 65% of estimated total tax liability i.e. taxpayers will be required to ensure that the total first and second provisional tax payments total 65% (normally 80% or 90%). No interest or penalties will be levied by SARS as a result of the reduced payment; and
- The balance (being 35% of taxable income for the year of assessment) 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 failing which interest will be charged.

PAYE Relief for Employers

A "qualifying taxpayer" (as defined in the draft Disaster Management Tax Relief Administration Bill) that is a resident employer or representative employer that is registered for employees' tax by 1 March 2020, may pay 80% of the total employees' tax due (in terms of paragraph 2(1) of the Fourth Schedule of the Income Tax Act). This deferral applies to employees' tax amounts deducted or withheld during the period commencing on 1 April 2020 and ending on 31 July 2020 i.e. there is a deferral of 20% of the PAYE liability, without SARS imposing administrative penalties and interest for the late payment thereof.

The deferred PAYE liability must be paid to SARS, in equal instalments, over the six month period beginning on 1 August 2020 (i.e. the first payment must be made by 7 September 2020; with the last payment being received by SARS by 5 February 2021).

The South African government is exploring the temporary reduction of employer and employee contributions to the Unemployment Insurance Fund (UIF) as well as employer contributions to the Skills Development Levy Fund (SDL contributions) and to the Commissioner for Compensation for Occupational Injuries and Disease Fund (COIDA contributions). No details have been released.

Note on "qualifying taxpayer"

The provisional tax and PAYE relief set out in the draft Disaster Management Tax Relief Administration Bill is only available to taxpayers with a gross income of R50 million or less during the year of assessment ending on or after 1 April 2020 but before 1 April 2021. On 29 March 2020 i.e. prior to release of the draft Bills, government released "explanatory notes" on the tax relief that would be provided. This media release made use of turnover rather than gross income to determine the R50 million threshold. We are awaiting clarification from National Treasury as to the basis on which the threshold will ultimately be determined.



Updated

Tax measures – Direct and Indirect (continued)

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

Extension of Time Periods

- Included in the draft Disaster Management Tax Relief Administration Bill are measures to provide for the extension of certain time periods set out in Tax Acts covered by the Tax Administration Act. With effect from 1 April 2020, the period of the National Lock Down (lockdown period) being the period from 26 March 2020 to 16 April 2020 will be regarded as “dies non” - that is, a day that has no legal effect and must not be taken into account when determining the number of days that are provided for in any Tax Act or in the Tax Administration Act. The extension of periods are in relation e.g. deadlines for producing relevant material in person, any field audit where the date specified in the notice falls within the lockdown period etc.
- Importantly the provisions extend the time periods set out in the dispute resolution provisions and accompanying rules and extend the period within which assessments prescribe. The provisions do not extend the time period within which taxpayers are required to produce relevant material by way of written submission.
- The draft Disaster Management Tax Relief Bills also includes provisions applicable to the administration of customs law. In particular, the bill includes measures to clarify that for purposes of determining what are the customs-related implications of the “lockdown” as ordered in reaction to the COVID-19 pandemic, the lockdown period 26 March 2020 to 16 April 2020 will be regarded as “dies non” i.e. a day that has no legal effect.
- The draft Disaster Management Tax Relief Bills were released for comment prior to the extension of the lockdown period. It remains to be seen whether the “dies non” period will be extended in the final bills to cover the period from 17 April 2020 to 30 April 2020.

VAT and exchange rates and currency fluctuations

- In South Africa, a tax invoice for a supply subject to VAT (at the standard rate of VAT) must be issued in the rand. The South African Revenue Service provides approved exchange rates in Binding General Ruling 11 (BGR 11) for determining the rand equivalent of a supply when a standard-rated invoice is issued in a foreign currency.
- BGR 11 provides that a supplier may use one of the following exchange rates (published on the website of the South African Reserve Bank and other resources):
 1. The daily exchange rate on the date the time of supply occurs
 2. The daily exchange rate on the last day of the month preceding the time of supply, or
 3. The monthly average rate for the month preceding the month during which the time of supply occurs.

- The options listed in (2) and (3) above may not be used in “exceptional circumstances” that result in the rand value being distorted. Examples of exceptional circumstances include the collapse of a foreign currency or a fluctuation in a foreign currency of 10% or more within the month referred to in options (2) and (3). In these instances, the daily exchange rate on the date the time of supply occurs is to be used (that is, option (1) is to be used).
- SARS also issued the following guidance concerning VAT rules in response to the COVID-19 pandemic:
 - In general, when the zero-rate is applied to the exportation of goods, the supplying vendor is required to obtain documentary proof to substantiate the application of the zero-rate.
 - There are prescribed time periods within which the movable goods must be exported and the documentation in support of the export must be obtained.
 - Non-compliance with these prescribed time periods will require the supplying vendor to account for VAT at the standard rate on the supply of the goods exported, unless beyond the control of the vendor.
 - A Binding General Ruling issued on March 26, 2020 confirms that SARS considers the current COVID-19 situation to be “beyond the control of the vendor, qualifying purchaser, or the person duly authorized to represent the qualifying person” and officially extends the prescribed periods within which to export the goods by an additional three months.



Updated

Employment-related measures

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

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 incentivised 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.

The draft Disaster Management Tax Relief Administration Bill makes provision for the extension of ETI benefits. The amendments are deemed to have come into operation on 1 April 2020 and will apply to any remuneration paid on or before 31 July 2020. In terms of the proposals:

- The criteria for a qualifying employee in section 6 of the Employment Tax Incentive Act (the ETI Act), will be amended to include an employee who is not less than 30 years old and not more than 65 years old at the end of any month in respect of which the ETI is claimed. This clarification in the draft bill is more restrictive than originally anticipated as it allows the employer to claim the ETI for employees in the 30 to 65 year age category only if the employee meets all the criteria applicable to a qualifying employee and not merely if the employee earns less than R6 500.
- Section 7 of the ETI Act which determines the amount of the ETI that can be claimed will be amended to provide additional relief for an eligible employer (as defined) who employs a qualifying employee, during each month of the first 12 months and second 12 months, if the qualifying employee:
 - is not less than 18 years old and not more than 29 years old at the end of any month in respect of which the ETI is claimed;
 - is employed by an employer that is a qualifying company as contemplated in the Special Economic Zone (SEZ) provisions and that employee renders services to that employer mainly within the SEZ in which the qualifying company, that is the employer, carries on trade (where an employer operates through a business located within a SEZ, that employer can benefit from the ETI in respect of employees who render services to that employer within a SEZ, without having the age limit as a restriction); or
 - is employed by an employer in an industry designated by the Minister of Finance, after consultation with the Minister of Labour and the Minister of Trade and Industry, by notice in the Government Gazette.

The amount of the ETI in respect of a qualifying employee who falls within the abovementioned provisions will be calculated as follows:

Monthly Remuneration	First 12 months
R0- R1 999	50% of Monthly Remuneration plus R500
R2 000- R 4 499	R1 500 per employee
R4 500- R6 499	R1 500 – (0.75 x (Monthly Remuneration – R4 500))
R6 500 or more	R0

Monthly Remuneration	Second 12 months
25% of Monthly Remuneration plus R500	25% of Monthly Remuneration plus R500
R1 000 per employee	R1 000 per employee
R1 000 – (0.5 x (Monthly Remuneration – R4 500))	R1 000 – (0.5 x (Monthly Remuneration – R4 500))
R0	R0

- Where the employer claimed the ETI for the first 24 months in respect of the above mentioned qualifying employee or the employer employs a qualifying employee between 30 and 65 years of age, the amount of the ETI will be calculated as follows:

Monthly remuneration	Amount of the ETI
R0- R 4 499	R500
R4 500- R6 499	R500 – (0.25 x (Monthly Remuneration – R4 500))
R6 500 and more	R0

- In addition to the above, section 10 of the ETI Act has been clarified to indicate that a reimbursement must be claimed from SARS at the end of each month where the ETI available to an employer exceeds the employees' tax liability. SARS will therefore accelerate the payment of ETI reimbursements from twice a year to monthly to facilitate the availability of cash into the hands of compliant employers as soon as possible. SARS will have to ensure that its systems are updated to allow for a monthly reimbursement.



Updated

Employment-related measures

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

COVID19 Temporary Employee/Employer Relief Scheme

Contributions to the Unemployment Insurance Fund (UIF) are 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.

A new Directive, the COVID19 Temporary Employee/Employer Relief Scheme (C19 TERS), was issued by the Minister of the Department of Employment and Labour in Government Gazette 43161, dated 25 March 2020. This directive was subsequently revised as set out in Government Gazette 43216 dated 8 April 2020.

The Directives create a special benefit under the UIF for employees who have lost all (or part of) their income as a result of the national disaster, thereby minimising the economic impact of the loss of income due to the COVID-19 pandemic.

- Should an employer as a direct result of COVID -19 pandemic close all or part its operations for a 3 (three) months or lesser period, the company may qualify for a C-19 TERS Benefit.
- Employees who suffer or will suffer a loss of income as a result of the temporary closure by the employer of its business operations and who were in employment prior to the commencement of the national lock-down on 27 March 2020 are eligible to receive the C19-TERS benefits. An employee may only receive a C19-TERS in terms of the directives if the total of the benefit together with any additional payment by the employer in any period is not more than the remuneration that the employee would ordinarily have received for working during that period. If the employer's employees, during the period of lockdown, receive a C19-TERS benefit from a bargaining council, that employer may not submit an application. i.e. the employee may not secure a C-19 TERS benefit from the bargaining council and the employer.
- As C19 TERS is a temporary relief measure, the benefit is de-linked from the UIF's normal benefits. Therefore, the normal rule that, for every four days worked, the employee accumulates a one day credit, to a maximum credit of 365 for every four years, will not apply. In addition, the benefit will only pay for the salary cost of the employees during the temporary closure of the business operations. Employees who are being paid in full by their employers during this period, are not eligible for these benefits.
- The maximum Unemployment Insurance (UI) benefit will be paid as per the benefit structure in section 12(1)b of the Unemployment Insurance Fund Act (UIF Act), if the employer is unable to pay its employees during the lockdown period. However, if an employer partially pays its employees, the UI benefit will be reduced accordingly.

- The employer must inform the UIF immediately on the recommencement of its business operations that were subject to temporary closure. The employer must return any unutilised funds, including interest, to the UIF within 10 days of the recommencement of its business operations, or the termination of Memorandum of Agreement concluded by any bargaining council, whichever is the earlier.
- The Directives provides for the following instances in which access to the short-term UIF benefits will apply:

- **Loss of income due to short term shut down**

This will be applicable in circumstances where an employee loses income (wholly or partially), despite being still employed, due to the temporary closure of all or part of the company's operations as a result of the lockdown.

The salary to be considered when calculating the benefits will be capped at a maximum amount of R17,712.00 per month, per employee and an employee will be paid in terms of the income replacement rate sliding scale (38%-60%) as provided in the UIF Act. Moreover, should an employee's income determined in terms of the income replacement (IRR) sliding scale fall below R3500 per month, the employee will be paid a replacement income equal to that amount.

- **Illness benefit**

Employees will qualify for this benefit where the employee is in quarantine for 14 days due to the COVID-19 pandemic. Confirmation letters from both the employer and employee that the employee was in an agreed pre-cautionary self quarantine for 14 days, must be submitted together with the application. A medical certificate is not required in relation to the self-quarantine period.

In special circumstances, should an employee be quarantined for longer than 14 days, a medical certificate from a medical practitioner is also required to be submitted.

- **Death benefit**

This benefit will be applicable where the contributor passes on due to the corona virus, in terms of Part F of the UIF Act, as amended. The surviving spouse, life partner, children of the deceased or the nominated persons (in that order) are eligible to apply for this benefit. The benefits are then paid to the beneficiaries of the deceased, in terms of the prescribed benefits structure per section 12(3)b of the UIF Act.



Updated

Customs Measures	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)
<p>The following Customs measures have been put in place in response to the COVID-19 pandemic:</p> <ul style="list-style-type: none"> — Expedited procedure for temporary registration to use ethyl alcohol to manufacture disinfectant. — Export controls on certain products, including face masks, hand sanitizers, certain chemical compounds and certain medicaments. Export permit required — Rebate of customs duty and exemption of import VAT on essential goods for which an ITAC permit had been issued - Rebate Item 412.11 to the Act. 	<p>The following Economic stimulus measures have been put in place in response to the COVID-19 pandemic</p> <ul style="list-style-type: none"> — On 18 March, the government announced works on a package to support Small and Medium Enterprises (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%. The repo rate was reduced by a further 100 basis points to 4.25% on 14 April 2020.



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Other measures and sources

Main sources of information:

- The draft Disaster Management Tax Relief Bill released for comment on 1 April 2020,
- The draft Disaster Management Tax Relief Administration Bill released for comment on 1 April 2020,
- Note 4(d) to Section D of Part 1 of Schedule No 6 to the Customs and Excise Act, No.91 of 1964 ("the Act")
- Government Notice No R424 of 27 March 2020
- SARS Media Release 27 March 2020 (Reference to Regulation No R398 IN Government Gazette 43148.
- Government Gazette 43161, dated 25 March 2020 read with Government Gazette 43216 dated 8 April 2020.

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As of 22 April 2020

Employment-related measures

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

Tanzanian Immigration Services Department has extended deadlines for individuals who could not travel to or from the country during the Covid-19 pandemic.

The new guidelines are as follows:

- Prospective visitors who were already issued *Visa Grant Notices* but were not able to travel to Tanzania, have been granted an extension of three months from the date of their visa start date.
- Visitors whose Visa/Visitors passes have expired, or about to expire, whilst they cannot leave the country, are advised to report to the nearest Immigration Office for one month extension (free of charge). However, if the situation still persists after expiry of such extension, the holders are advised to report to the Immigration Office, Kurasini - Dar es Salaam for further assistance.
- Holders of Residence Permits, Visitors Pass, Exemption Certificate and Dependant Pass which have expired, have been granted one month grace period to stay in the country. Upon expiry of such period, if the situation still persists, they are advised to report to the Immigration Office - Kurasini in Dar es Salaam for further directives.
- Holders of Residence Permits/Passes who have already surrendered their respective documents are required to report promptly to the Immigration Office, Kurasini- Dar es Salaam.
- This move by the Immigration Services Department is highly welcomed as it will provide relief to visa and permit holders during this crisis period.

Mandatory quarantine at the point of entry

The government through the Ministry of Health, Community Development, Gender, Elderly and Children has imposed a mandatory quarantine at the first International Point of Entry in Tanzania for all travelers from countries which are most affected by the Covid-19 pandemic.

The quarantine will be for a period of 14 days at government designated facilities. The travelers will bear the quarantine costs.

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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 (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	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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General Information

Effective 1 April 2020, the country is under a total lock down, other than essential workers such as medical personnel, all the other persons are required to stay at home for 14 days. There is also a curfew from 7.00pm to 6.30 am. These conditions are to be reviewed after expiry of 14 days.

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>Uganda Revenue Authority (URA) has put in place measures of a tax administration nature to support taxpayers in meeting their obligations during this unprecedented time. These include;</p> <ul style="list-style-type: none"> Extension of time for two months from 31 March 2020 to 31 May 2020 within which to file corporation tax returns for September year ends Extension of time from 15 April to 30 April within which to file the March 2020 monthly returns of PAYE, VAT, Local Excise Duty, Withholding Tax and Lotteries and Gaming returns. However the date of payment was not extended, remains 15 April 2020. Deferment of tax payments due in March and April 2020 under instalment arrangement MOU's to May 2020 Waiver of penalty and interest upon voluntary disclosure. A taxpayer who makes any voluntary disclosure during the months of March and April 2020 and pays the principal tax, shall have their penalty and interest remitted in accordance with the law. Encouragement of use of online services Most services are online and there are some staff in the office to facilitate tax payers 	<ul style="list-style-type: none"> In support of the Government of Uganda's interventions to combat the effect of COVID-19, the National Social Security Fund (NSSF) has put in place measures to ease the cash flow burden of affected employers/ businesses in the private sector. In its notice, NSSF indicated that with effect from 31st March 2020, it will allow Ugandan businesses facing economic distress to reschedule their NSSF contributions for three (3) months without accumulating penalty. Affected businesses are advised to send an email to amnesty@nssfug.org to work out the detailed modalities. A business that does not apply for this amnesty will be expected to continue honouring its statutory obligation to remit NSSF contributions by the 15th day of every month. 	<p>Monetary Policy</p> <p>BOU issued a communication on 20 March 2020 titled 'Measures to mitigate the economic impact of COVID-19'</p> <p>BOU committed to undertake the following:</p> <p>Ensure financial institutions supervised by BOU continue to operate effectively;</p> <ul style="list-style-type: none"> Ensure that contingency plans by financial institutions guarantee the safety of customers and staff; Intervene in the foreign exchange market to smoothen out excess volatility arising from the global financial markets; Put in a place a mechanism to minimise the likelihood of sound business going into insolvency due to lack of credit; Provide exceptional liquidity assistance for a period of up to one year to financial institutions supervised by BoU that may require it; Waive limitations on restructuring of credit facilities at financial institutions that may be at risk of going into distress due to the COVID-19 pandemic; Continue to engage Mobile Network Operators (MNOs) and commercial banks to: <ul style="list-style-type: none"> further reduce fees on mobile money transactions and other digital payment charges in order to limit the use of cash and bank branch visits. Increase daily transaction and wallet size limits for mobile money transactions. 	<ul style="list-style-type: none"> Uganda is on total lockdown Uganda Tax Alert - URA's Business Continuity Measures in the wake of COVID 19: https://home.kpmg/content/dam/kpmg/ke/pdf/covid-19/Uganda Tax Alert - URA's Business Continuity Measures in the wake of COVID 19.pdf Uganda Alert - NSSF Extends Amnesty to Ugandan Businesses Facing Economic: https://home.kpmg/content/dam/kpmg/ke/pdf/covid-19/Uganda Alert - NSSF Extends Amnesty to Ugandan Businesses Facing Economic Distress due to COVID.pdf

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As of 22 April 2020

General Information

Zambia has predominantly focused on putting up a range of measures to contain the spread of the pandemic within the Zambian economy. The Government through the Ministry of Finance has proposed a number of measures which include among others: Set up an Epidemic Preparedness Fund under the Ministry of Health amounting to K57 million; Cabinet approved a COVID-19 Contingency and Response Plan with a budget of K659 million under the Disaster Management and Mitigation Unit; and the Government has started mobilizing funds through the budget and engagement with various local and international stakeholders.

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
Fiscal policy Several tax measures have been decided by the Zambian government to relief businesses from the negative impact of the COVID-19 outbreak: <ul style="list-style-type: none"> — Suspend excise duty on imported ethanol for use in alcohol based sanitisers and other medicine related activities subject to guidelines to be issued by Zambia Revenue Authority; — Remove provisions of SI 90 relating to claim of VAT on imported spare parts, lubricants and stationery to ease pressure on companies; — Suspend import duties on the importation of concentrates in the mining sector to ease pressure on the sector; and — Suspend export duty on precious metals and crocodile skin. — Please note that most of these measures will come into force in April 2020. 	<ul style="list-style-type: none"> — Government through Cabinet Office has requested non-essential workers to work from home where possible or on rotational basis. 	Monetary policy Government through the Central Bank announced a number of measures to encourage the use of digital financial services. The measures include: <ul style="list-style-type: none"> — Waived charges for person to person electronic money transfers of up to K150. These transactions are now free of charge; — Revised upwards transactions and balance limits for individuals, small scale farmer and enterprises. The limits by agents have been revised upwards to give agents more float to deal with transactions. This is made to decongest banks; — Removed the transaction and balance limits on agents and corporate wallets; and — Reduced the processing fees for Real Time Gross Settlement System. Government is expected to issue a Statutory Instrument for Classification and Provisioning of Loans Directives to encourage financial service providers to provide relief to the private sector and facilitate long term lending to productive sectors of the economy.	Main sources of information: <ul style="list-style-type: none"> — Statement of the Honorable Minister of Finance dated 26 March 2020. — Ministry of Finance website https://www.mof.gov.zm/

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As of 22 April 2020

General Information

Following the declaration by the World Health Organisation of COVID-19 as a global pandemic, a state of disaster was declared in Zimbabwe on the 20th of March 2020.

A "National Lockdown and prohibition of gatherings" was legislated for the 21 day period commencing 30 March 2020 and ending on 19 April 2020 restricting movement of the public with exception to those providing essential services.

A number of regulators have also deferred filing deadlines considering the impact of the COVID-19 Lockdown.

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
<ul style="list-style-type: none"> Expanded online filing options (through emails) to restrict the need to taxpayers physically visiting the Zimbabwe Revenue Authority ("ZIMRA") offices. ZIMRA will endeavour to process all VAT refunds within 30 days provided certain criteria are adhered to by taxpayers. A duty rebate has been introduced in respect of defined essential goods for the fight against COVID-19, with effect from 30 March 2020. 	<ul style="list-style-type: none"> Legislation has been introduced to Automatically extend permits of foreign nationals such that the Lockdown period does not count towards their permitted period of stay in the country. The entry of citizens and residents is permitted although this Provided that the responsible enforcement officer at the port of entry concerned must order such citizens, returning residents to be detained, isolated or quarantined in any place for a period of twenty-one days; 	<ul style="list-style-type: none"> The Exchange Control Regulations have been amended with effect from 29 March 2020 to allow any person to pay for goods and services chargeable in Zimbabwe dollars, in foreign currency using his or her free funds at the ruling rate on the date of payment. The payment may be done electronically through a foreign currency account or in cash or through any electronic payment platform. The Zimbabwe Stock Exchange has delayed the filing deadlines of listed companies to 30 April 2020. All Trading in securities of all issuers shall be done under caution during the Lockdown period and therefore no need for issuers to issue individual cautionary statements. All issuers expected to provide a special trading update by 15 May 2020 including a Statement on the solvency position of the issuer in light of COVID-19 and the Lockdown order on its business. The Securities Exchange Commission of Zimbabwe has extended the audited financial statement submission deadline from 31 March 2020 to 31 May 2020. The Quarterly return submission deadline has also been extended from 14 April 2020 to 15 May 2020. Government has committed to provide assistance of ZW\$200 to vulnerable families 	<p>Main sources of information:</p> <ul style="list-style-type: none"> Statutory Instruments 76, 77, 85, 87, 88 and 89 of 2020 ZIMRA Public Notice Numbers 17 and 20 of 2020 Zimbabwe Stock Exchange Public Notice 1 April 2020 Securities Exchange Notice NOTICE: SS02/04/2020 Post Cabinet Briefings



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**CONTACTS:****Tax:** Justin C Davis – jcdavis@kpmg.com.au**Restructuring:** Matt Woods – mwoods1@kpmg.com.au / James Stewart – jstewart13@kpmg.com.au**Legal:** Kate Marshall – katemarshall@kpmg.com.au**As of 22 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

The Australian Taxation Office (“ATO”) has issued frequently asked questions (“FAQs”) to provide guidance on tax questions about the impact of COVID-19, including on:

- Corporate residence: A non-Australian incorporated company can be treated as resident in Australia if it carries on business in Australia and has its central management and control in Australia. The FAQs state that if the only reason for holding board meetings in Australia or directors attending board meetings from Australia is because of impacts of COVID-19 (i.e., travel bans or the board deciding to halt international travel due to COVID-19), that by itself will not affect the company’s residency status for Australian tax purposes.
- Permanent establishment: The FAQs state that the impacts of COVID-19 will not, by itself, result in a foreign company having an Australian permanent establishment (“PE”) if it meets all of the following: (i) the foreign incorporated company did not have a PE in Australia before the impacts of COVID-19; (ii) there are no other changes in the company’s circumstances; and (iii) the unplanned presence of employees in Australia is the short-term result of them being temporarily relocated or restricted in their travel as a consequence of COVID-19.
- Employment tax withholding: The FAQs state that if the only reason that an employee of a foreign employer is working in Australia is because of the impacts of COVID-19 on travel, and it is anticipated that the employee will leave before June 30, 2020, then the foreign employer is not expected to register for pay-as-you-go withholding.
- Payments and reporting and interest and penalties.



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.



Customs Measures

Export

- On 30 March 2020, the Australian Government has implemented a temporary prohibition on the export of certain COVID-19 goods. The goods include:
 - Disposable face masks;
 - Disposable gowns;
 - Disposable gloves;
 - Goggles, glasses and eye visors
 - Alcohol wipes;
 - Hand Sanitizer.
- There are a number of exemptions including allowing for the exports when they are by an Australian manufacturer or where the export of these products is part of a normal business activity, provided the goods are not sent through international mail.



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 22 April 2020

General Information

19 March: Bangladesh Bank (BB) announces moratorium on loan payments until 30 June 2020 and that such borrowers will not be in default
31 March: Government announces details of its BDT 50bn (approx. USD595m) stimulus package for export-oriented industries. This includes assistance towards salaries and funding of 2 year loans to factory owners at 2% interest.
5 April: Prime minister announces another stimulus packages of BDT 677.5bn (approx. USD8bn) planned to implement in immediate, short and long phases through four programs (increasing public expenditure, formulating a stimulus package, widening social safety net coverage and increasing monetary supply).
13 April: Prime minister announces: direct cash assistance of BDT 7.6bn (approx. USD91mn) for informal sector workers; health insurance of BDT 5-10 lakh for health workers (doctors, nurses and others) and bankers in case of COVID-19 infected and BDT 25-50 lakh in case of death, total fund allocated BDT7.5bn (approx. USD89mn); special honorarium BDT 1bn (approx. USD12mn) allocated for bankers, health workers and others.

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

22 March - Lifting of import taxes on medical and protective items:

The National Board of Revenue (NBR) waives of 12 types of safety products and test kits from import duties and taxes until 30 June 2020.

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

1 April - Reduction in liquidity ratio requirements for banks:

Required Cash Reserve Requirement (CRR) of the banks reduced from 5.5% to 5% on bi-weekly average basis and 5% to 4% on a daily basis. CRR is further reduced to 4% on bi-weekly average basis and 3.5% on daily basis effective from 15 April.

23 March – Reduction in Repo interest rate:

BB's Repo interest rate reduced from 6% to 5.75%. The repo rate is further reduced to 5.25% effective from 12 April.

22 March – Buy-back of government securities:

BB announces to buy back government securities from secondary market. As some banks and financial institutions act as primary dealer of such securities, this will help ease their liquidity.

23 March – Extension of usance period:

Banks permitted to extend LC usance (payment) periods for import of raw materials (from 180 days to 360 days) and of life saving drugs (from 90 days to 180 days).

4 April – Waiver on Credit Card:

The banks are instructed not to deduct any fees/charges/interest against late payment of credit card bill from 15 March 2020 to 31 May 2020.

20 March – Promotion of payment services:

- Mobile financial services - monthly transaction limit increased from approximately USD 900 to USD 2,300 and charges waived on cashing out (withdrawal) of up to USD 12 per day
- Contactless debit and credit cards – daily transaction limit increased from approximately USD 35 to USD 60
- Waiver of charges to merchants when accepting debit and credit card payments for medicine and other essentials, subject to approximately limit of USD 180 per day and USD 1,200 per month.

3 April – The World approved \$100m:

The World Bank approved a fast-track \$100 million financing to help Bangladesh prevent, detect, and respond to the COVID-19 (Coronavirus) pandemic and strengthen its national systems for public health emergencies.



As of 22 April 2020

Economic stimulus measures (continued)	Other measures and sources
<p>13 April – Refinance scheme BDT 50bn (approx. USD595mn) for agriculture sector:</p> <p>The scheme will be financed from BB's own source. The affected customers will be able to avail up to 20% extra of the existing loan facilities under the scheme. BB will charge interest 1% from banks and banks will charge 4% from customers. The loan will be repayable within 18 months including 6 months grace period.</p> <p>12 April ADR (Advance Deposit Rate) / IDR (Investment Deposit Rate):</p> <p>ADR rate increased to maximum 87% from 85% and IDR for Islamic banking has increased to 92% from existing 90%.</p> <p>12 April - Quarterly repayment for imports under supplier's/buyer's credit:</p> <p>Bangladesh Bank has decided that bullet repayment will be permissible (earlier permissible only for import of raw materials upto USD0.5mn with usance period between 6 months to 1 year) for other usance imports under supplier's/buyer's credit, usance period can be below 6 months or above 1 year.</p> <p>Stimulus packages of BDT 677.5bn (approx. USD8bn)</p> <p>Package 1: Government to provide BDT 300bn fund for banks to provide working capital loan facilities to the affected industries. These loans will carry interest at rate of 9%, half to be borne by borrower and half by Government as a subsidy. BB has published a circular detailing about eligibility, application, management and other terms of the package on 12 April.</p> <p>Package 2: Government to provide BDT 200bn fund for banks to provide working capital loan facilities to Small (cottage industries) and medium enterprises. These loans will carry interest at rate of 9%, of which 4% to be borne by borrower and 5% by Government as a subsidy. BB has published a circular detailing about eligibility, application, conditions, reporting and other terms of the package on 13 April.</p> <p>Package 3: Under Back-to-Back LC arrangement, the Export Development Fund will be increased from USD 3.5bn to USD 5bn for facilitating further import of raw materials. Interest rate will be 2%. BB has issued a circular on 7 April to implement the package.</p> <p>Package 4: Central bank to launch BDT50bn pre-shipment credit refinance scheme. BB has issued a circular detailing application method, payment method, reporting and other conditions of the package. It will be financed from BB's own source. BB will charge interest 3% from banks and banks will charge 6% from customers.</p>	<p>23 March – General holiday:</p> <p>Government orders closure of public and private offices from March 26 to April 4 (later extended to 25 April in three rounds). Educational institutions remained closed from 17 March 2020. Stock market transactions suspended.</p> <p>23 March – Advance against imports of life saving drugs:</p> <p>Banks may, without repayment guarantee, advance credit up to USD 500k for import of coronavirus related life-saving drugs, medical kits/equipment and other essential medical items.</p> <p>4 April - Maximum margin limit for import child food:</p> <p>Bangladesh Bank has set the margin limit to 5% for opening LC for importation of food for children.</p> <p>24 March – Limited banking services:</p> <p>Selected bank branches to remain open for reduced hours during the general holiday, providing only essential banking services.</p> <p>24 March – Ban on ship imports:</p> <p>Ministry of Industries imposes a two-week ban on the import of ships from 23 March.</p> <p>23 March – Relaxations for holding meetings and regulatory reporting:</p> <p>Bangladesh Securities and Exchange Commission (BSEC) relaxes requirement to hold annual and extraordinary general meetings and board meetings, publication and dissemination of price sensitive information and monthly/quarterly submissions to the Commission. Companies may use any digital means for holding meetings. BB issues similar instructions on holding virtual meetings and relaxing regulatory reporting.</p> <p>07 April - UK govt pledges £21mn for Bangladesh:</p> <p>The UK has announced 21 million pounds (approx. BDT2.2bn) in funds to support Bangladesh to contain the spread of coronavirus, including the Rohingya camps in Cox's Bazar.</p> <p>05 April - SAARC Development Fund (SDF) assistance:</p> <p>SAARC Development Fund (SDF) has allocated a total fund of USD 5m for the SDF-COVID 19 Emergency Project(s) for all the 08 SAARC Member States subject to certain eligibility criterias.</p>



Other measures and sources

Main sources of information:

BRPD Circular No. 04; Date: 19 March 2020: <https://www.bb.org.bd/mediaroom/circulars/fid/mar242020dfim01.pdf>
 DFIM Circular No. 01; Date: 24 March 2020 <https://www.bb.org.bd/mediaroom/circulars/brpd/mar192020brpd04.pdf>
 Memo No. 07.101.020.03.01.001.2020 – 726 ; Date: 31 March 2020
 BRPD Circular No. 07; Date: 2 April 2020 <https://www.bb.org.bd/mediaroom/circulars/brpd/apr022020brpd07.pdf>
 BRPD Circular No. 19; Date: 15 April 2020 <https://www.bb.org.bd/mediaroom/circulars/brpd/apr152020brpd19.pdf>
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 MPD Circular No.-01; Date: March 23, 2020
<https://www.bb.org.bd/mediaroom/circulars/mpd/mar232020mpd01e.pdf>
 MPD Circular No.-03; Date: April 09, 2020 <https://www.bb.org.bd/mediaroom/circulars/mpd/apr092020mpd03.pdf>
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<https://thefinancialexpress.com.bd/economy/coronavirus-response-government-seeks-100m-from-world-bank-1584762371>
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<https://www.thedailystar.net/coronavirus-deadly-new-threat/news/govt-offices-closed-march-26-april-4-cabinet-secretary-1884730>
<https://www.thedailystar.net/coronavirus-pandemic-in-bangladesh-government-extends-closure-till-april-11-1888483>
<https://www.thedailystar.net/general-holidays-in-bangladesh-might-be-extended-till-april-25-1891477>
 FE Circular No. 15; Date: 23 March 2020 <https://www.bb.org.bd/mediaroom/circulars/fe/mar232020fe15e.pdf>
 DOS Circular No. 06; Date: 24 March 2020 <https://www.bb.org.bd/mediaroom/circulars/dos/mar242020dos06.pdf>
 DOS Circular No. 07; Date: 25 March 2020 <https://www.bb.org.bd/mediaroom/circulars/dos/mar252020dos07.pdf>
 DOS Circular No. 08; Date: 02 April 2020 <https://www.bb.org.bd/mediaroom/circulars/dos/apr022020dos08.pdf>
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 DOS Circular No. 10; Date: 07 April 2020 <https://www.bb.org.bd/mediaroom/circulars/dos/apr072020dos10.pdf>
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 DOS Circular No. 13; Date: 16 April 2020 <https://www.bb.org.bd/mediaroom/circulars/dos/apr162020dos13.pdf>

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<https://www.bb.org.bd/mediaroom/circulars/brpd/apr112020brpd16.pdf>
 DOS Circular No. 12; Date: 12 April 2020
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 FE Circular No. 18; Date: April 07, 2020
<https://www.bb.org.bd/mediaroom/circulars/fe/mar232020fe18e.pdf>
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<https://www.bb.org.bd/mediaroom/circulars/fe/mar232020fe11e.pdf>
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<https://www.bb.org.bd/mediaroom/circulars/brpd/apr042020brpd12.pdf>
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<https://www.bb.org.bd/mediaroom/circulars/dos/apr122020dos2.pdf>
 FE Circular Letter No. 10; Date: 29 March 2020

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As of 22 April 2020

General Information

The Ministry of Finance announced tax relief measures in response to the coronavirus (COVID-19) pandemic.

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

Fiscal Measure:

- Extension of Tax Filing and Deferral of Tax Payments: BIT and CIT filing and tax payment for the income year 2019 will be deferred until 30 June 2020. Guidelines for online filing and payment of BIT/CIT can be downloaded from Ministry of Finance's website

Accounts Filers (BIT & CIT)

- All tax returns are to be filed on-line using the RAMIS.
- All tax payments are to be made on-line, through the Internet Banking, mBOB and mPAY.

Small and Micro Businesses (Not covered under Fiscal Incentives)

- Businesses whose tax liabilities have already been assessed should deposit BIT on-line.
- Businesses whose tax liabilities are yet to be assessed can deposit BIT equal to IY 2018 tax as provisional. In case of any additional tax liabilities, concerned RRCOs will contact taxpayers.
- Tax payments are to be transferred into BoB A/c No.100891537, or, BNB A/c No.0000025482018, using "Funds Transfer" icon from mBOB and mPAY.
- Indicate TPN and Trade License numbers in the Remarks column for identification of taxpayers making the deposits, and retain screenshots copies of payments for reference.

The respective RRCOs will issue acknowledgements for receipts of tax payments.

Tax clearance certificates will be issued on-line.

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

Monetary Measure:

Provision of Working Capital at an 5% interest for wholesale distributors authorized by the Ministry of Economic Affairs for a period of 3 months, extendable by 3 months to enable them to procure adequate stocks and ensure uninterrupted supply of essential items at reasonable price.

Other measures and sources

Main sources of information

- Royal Government of Bhutan: <https://www.mof.gov.bt/wp-content/uploads/2020/03/NOTIFICATION2803202001.pdf>

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As of 22 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...)

The Chinese Government adopted several measures for the 2020-2021 Budget, including:

- Tax relief measures introduced by banks for corporate customers, retail customers, SMEs, insurance companies.
- VAT exempt on a wide range of customer services (medical services, catering, accommodation, public transport, delivery services, some personal services) for an unlimited period.
- CIT and VAT incentives for companies producing medical supplies, used in relation with COVID-19
- Longer tax loss carry-forward period (from five to eight years) for severely affected companies.

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



Tax measures – Direct and Indirect (continued)

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

Defer tax and customs duty filings

- The tax filing deadline of Feb 2020 is extended to February 28th nationwide. Deadline for Hubei province and other severely impacted areas will be further extended as appropriate.
- Taxpayers and withholding tax agents, who are seriously affected by Covid-19, may apply for further extension of filing deadlines.
- Electronic payments can be made by Feb 24th for Customs Duty declared in Jan 2020. For tax payment deadlines within the period from Feb 3rd to the date of resumption of work announced by the local governments, the payment deadline is postponed to 15 calendar days after the date of resumption of work.

Remote tax handling

- Tax authorities in various tax districts have encouraged taxpayers to use "non-contact" remote tax channels and smart tax services such as e-tax bureau, mobile applications, WeChat services, mailing, etc.

CIT

- Equipment newly purchased by manufacturers of key epidemic prevention and control materials, in order to expand production capacity, can be 100% expensed in calculating CIT. Under existing rules, expensing is only allowed for purchased equipment with a unit value less than RMB5 million (USD700K).
- The loss carry forward period is extended from 5 years to 8 years for tax losses incurred in 2020. This covers enterprises in the transportation, food catering, accommodation, and tourism (including travel agency and related services, scenic area management) sectors.
- Covid-19 related tax losses, incurred by high-new-tech enterprises and small-and-medium-sized technological enterprises, can be carried forward and offset within 10 years.
- Government subsidies or special funds obtained by enterprises for Covid-19 prevention and control may be exempted from CIT, subject to requirements.
- Reasonable expenditures incurred by enterprises for Covid-19 prevention and control, and related asset losses, can be deducted in calculating CIT.
- For qualified small, low-profit enterprises with annual taxable income of no more than CNY3 million, the effective CIT burden can be reduced to between 5% and 8.4%.
- Research & Development expenditure incurred for Covid-19 prevention and control is entitled to a super deduction of 75% (i.e. deduct 175% of amount spend). Intangible asset outlays are entitled to tax amortization at 175% of the asset cost.
- A full CIT deduction is granted for cash and goods donations for Covid-19 prevention and control. This applies where the donations are made through public welfare social organizations, state governments above the county level and its departments, and other state authorities. Supporting documents can include the public welfare donation certificate, or general payment certificate of non-taxable income.

- Donation of the above items directly to hospitals responsible for Covid-19 prevention and control can be deducted in full. Accepted supporting documents are donation acceptance letters issued by the hospitals

VAT

- Manufacturers of key epidemic prevention and control materials can apply for full refund of carried forward excess input VAT. The refundable amount is the excess over the carried forward input VAT as at the end of December 2019. Refunds can be applied for on a monthly basis.
- Transportation services for key Covid-19 prevention and control materials, public transportation services, life services, and express delivery services are exempt from VAT.
- Exemption for wide range of consumer services ("lifestyle services"), including medical services, catering, accommodation services, and sundry personal services (e.g. hairdressing, laundry)
- The exemption is not time limited; it is understood to be in place until COVID-19 is brought under control.

IIT

- IIT exemption for temporary work subsidies and bonuses obtained by medical staff and workers participating in Covid-19 prevention and control. The quantum of the subsidies and bonuses needs to be in accordance with the standards set by relevant local governments for exemption to apply.
- Materials (excluding cash) such as drugs, medical and protective supplies given to employees for the prevention of Covid-19 shall not be included in wages and salaries income, and are exempt from IIT.

Import duties and taxes

- Imported materials donated free of charge for Covid-19 prevention and control are exempt from import duties and taxes. Import duties and taxes already paid will be refunded.

Indirect Taxes

- Donation exemptions are provided for VAT, Consumption Tax, City Maintenance and Construction Tax, Education Surcharges, and Local Educational Surcharges. This applies for donation of goods manufactured, produced and processed on commission, or purchased, where donations are made through the above mentioned channels.



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. — Deferring the payment of social security contributions (and in some cases refunding contributions already made) <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. <p>Cuts on required reserve ratio</p> <ul style="list-style-type: none"> — Cuts on required reserve ratio (one in March and one in April), each injecting RMB550bn and RMB400bn liquidity respectively into the market. in addition, PBoC, the central bank, cut the MLF rate by 20bp, suggesting a forthcoming cut on the LPR rate (will be released on 20 April).



Customs Measures

Export of medical supplies

- Based on 2020 Announcement No.5, effective April 1, companies are required to submit declarations to China Customs stating their products “meet the relevant standards of the countries where goods are to be imported” and Registration Certification of Medical Device (“CMD”) approved by National Medical Products Administration in China.
- Certified medical products in China are listed on the NMPA website: (www.nmpa.gov.cn/WS04/CL2582/)
- Hence, medical products that are not on this list will not be approved for exportation.
- **In addition, these medical equipment are required to go through formal inspection and quarantine process by Customs which creates further delays**

Customs clearance

- Set up ‘green’ channels for quickly checking of donated goods;
- Emergency and charitable donations shall be registered and released first, tax reduction and exemption related procedures shall be made up later;
- The Customs shall examine the goods, and the consignee or consignor may entrust an agent to assist on the spot
- Simplified inspection process of medicals and epidemic prevention goods imported

Duty relief

- Moderately expand the scope of duty-free import of charitable donated goods, and the imported goods donated for Covid-19 prevention shall be exempt from import duties, VAT and consumption tax;
- For the duty-free imported goods that meet the requirements and have been taxed, the payments shall be returned;
- The qualified duty-free goods originating in the US shall not be subject to the imposition of additional duties on the US and the tax payments shall be returned.

Deferred tax payments

- The tax collection payment of January was postponed to Feb.24;
- Where the time limit for payment expires within the date of resumption of work, the tax shall be paid within 15 days after the work resumption date, and no overdue fines shall be charged ;
- For the overdue payment of imported goods, the levy date shall be postponed to the work resumption date.

Processing trade and others

- For overdue business of processing trade enterprises, the Customs shall handle the extension formalities and the enterprises may supplement the materials afterwards;
- The bonded goods donated or expropriated shall be released as soon as they are registered by the Customs;
- The Customs shall give priority to the import goods for Novel Coronavirus Pneumonia (Covid-19) prevention for registration or filing
- Additional tariff will not be imposed on US-origin goods imported for donation purpose, for Coronavirus prevention. For other US-origin goods, companies can apply for exclusion of the additional tariffs under new application mechanism



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>
- China announces tax relief measures to tackle coronavirus disruption: <https://www.internationaltaxreview.com/article/b1kijn20mxcfyj/china-announces-tax-relief-measures-to-tackle-coronavirus-disruption>
- Managing China VAT issues effectively in turbulent times: <https://home.kpmg/cn/en/home/insights/2020/02/managing-china-vat-issues-effectively-in-turbulent-times.html>

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As of 22 April 2020

Economic stimulus measures*(e.g. loans, moratorium on debt repayments...)***Ministry of Economy and Finance Decision No. 028 on Establishment of a Multidisciplinary Working Group to Plan Monetary and Banking Measures to Manage the Impact of Covid-19 and the Withdrawal of “Everything but Arms (EBA)”**

- On 03 April, the Ministry of Economy and Finance issued decision No. 028 to establish a working group to study and plan monetary and banking measures, named the “Multidisciplinary Working Group”, which will be co-chaired by representatives from the Ministry of Economy and Finance and the National Bank of Cambodia. The aim of this working group is to support the Committee on Economic and Financial Policy to design and implement measures to manage the impact of Covid-19 and EBA withdrawal. This working group may invite officials from ministries, institutions, organizations, development partners, private sector representatives, and other relevant counterparts to participate in their meeting if necessary.

Ministry of Economy and Finance Decision No. 024 on Establishment of a Task Force to Control Supply and Prices of Strategic Goods During the Fight Against Covid-19.

- On 03 April, the Ministry of Economy and Finance issued decision No. 024 on the establishment of a task force to control supply and prices of strategic goods during the fight against Covid-19. This will determine the types of strategic goods that are deemed essential for daily consumption during the Covid-19 situation for instance: rice, salt, vegetable, fish, meat, mask, cleaning alcohol, pharmaceutical and medical equipment. This task force will monitor the daily demand and supply of such strategic goods and guarantee sustainability without any interruptions. This task force will also check quality and ensure appropriate pricing and avoid dramatic price increases.

Ministry of Economy and Finance Decision No. 027 on Establishment of a Task Force to Plan for Budget Policy on Financing and Social Assistance in Controlling the Fight Against Covid-19

- On 03 April, the Ministry of Economy and Finance issued a decision No. 027 to establish a task force responsible for planning the budget policy on financing and social assistance. The task force will study and determine the required budget to fight against Covid-19 based on three priorities: preventing Covid-19 outbreak, stabilise livelihoods of poor and vulnerable people, and recover and stabilise businesses. This task force will also seek to mobilise the financing from abroad as much as possible such as budget support, and technical support from development partners through bilateral and multilateral framework agreements.

Ministry of Health Instruction on Preventive Measures of COVID-19 Transmission for Vehicle Transportation Owners and Passengers of Common Transport Vehicles

- On 5 April, the Ministry of Health issued an instruction to passengers and vehicle owners (Buses and Mini Buses) that carry more than 10 passengers. The owners are instructed to regularly clean their vehicles and provide alcohol gel to passengers who are encouraged to wear masks. The drivers must temporarily stop driving if they have symptoms of a cold

Ministry of Tourism Letter No. 168 on Temporary Suspending all Massage, Spa and Wellness Businesses

- On 07 April, following an inter-ministerial committee meeting, the Ministry of Tourism issued letter No. 168 to city and provincial governors to temporarily suspend all massage, spa and wellness businesses from 07 April 2020 until further notice.

Ministry of Foreign Affairs and International Cooperation Instruction to Automatically Extend Tourist Visas for Arrivals after 1 January 2020

- On 3 April, the Ministry of Foreign Affairs and International Cooperation issued a letter to inform all diplomatic and consular missions that due to Covid-19, the Kingdom of Cambodia will grant automatic tourist visa extensions for some foreign tourists that arrived in Cambodia after 1 January 2020 and will exempt visa overstay fines until they are able to depart.

Ministry of Interior Instruction on Measures to Ensure Stability, Security, Public Order and Social Safety during Khmer New Year 2020

- On 3 April, the Ministry of Interior's General Commissariat of National Police instructed all technical departments/institutions under its supervision and all municipal and provincial police stations to plan and implement measures to maintain stability and security during the coming Khmer New Year period (13 – 16 April).

Ministry of Health Instruction on Preventive Measures Against Covid-19 at Barbers, Beauty Shops and Other Related Services

- On 05 April, the Ministry of Health instructed the public to minimise their use of certain services such as hairdressers, nail and beauty salons and other similar services. If it is not possible to avoid this, the public is instructed to protect themselves by following the Ministry's measures of wearing masks, washing hands, maintaining physical distance, avoiding close communication and other practices.



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Ministry of Commerce Notification to Fuel Stations or Depots that Sell Fuel for Unreasonably High Prices</p> <ul style="list-style-type: none"> On 2 April, the Ministry of Commerce issued a notification to warn all fuel station and depot owners who sell fuel for unreasonably high prices or misrepresent the quality or quantity of fuel, that the Ministry will take action by enforcing transitional fines, suspending business operations or submitting a complaint to the court. <p>Ministry of Education, Youth and Sport Letter No. 1890 on Temporary Suspending all Sports Activities and Exercises which Require Gathering in Public and at Private Sport Clubs</p> <ul style="list-style-type: none"> On 07 April, the Ministry of Education, Youth and Sport issued Letter No. 1890 to temporarily suspend all sports activities and exercises which require gathering in public and private sport clubs from 07 April 2020 until further notice. 	<ul style="list-style-type: none"> Khmer New Year will be suspended/postponed: the public sector, institutions and private sector will work as usual, the Royal Government will compensate workers with 5 days of public holidays when it is an appropriate time. The Ministry of Labour and Vocational Training has issued Notification No. 012/20 on Postponement of Khmer New Year Holiday 2020. The Royal Government has not yet issued any laws or regulations to restrict the travel or put curfew in place, instead the Royal Government requests that people reduce unnecessary travel. The possibility of declaring a State of Emergency has reduced, though this will continue to depend on the situation. The Law on a State of Emergency states that it shall not exceed 3 months if implemented and can be extended for the same period. The Law is expected to be passed after 13-16 April. There will be no closure of pagodas, temples or religious places, factories, restaurants, coffee or other shops. Exports of fish, rice and paddy rice are suspended to ensure the domestic supply. This period is an opportunity for the agriculture sector to grow while the industry and tourism sector are affected. The industrial sectors that produce medical and food are not impacted. For factories that have been impacted, the Royal Government will pay \$40 and factories will pay \$30 to employees whose jobs have been suspended, without requiring employees to attend training. The Prime Minister reiterated his request to the private sector to reduce rental fees or defer repayments without seizing property or implementing fines.

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As of 22 April 2020

General Information

- \$1 billion COVID-19 Stimulus Package announced together with FNPF
- Fiji economy projected to contract by 4.3 percent this year
- Debt to GDP ratio to increase to 60.9 percent in 2020. Economic rebound and stronger revenues expected following COVID-19 pandemic
- Asian Development Bank to top up its previously-pledged funding of US\$100 million by up to US\$100 million more. World Bank offering US\$5.5 million from its COVID-19 facility
- Downturn in tourism industry expected to impact GDP by 38 percent
- Tertiary Education Loan repayments suspended until 31 December 2020

Tax measures – Direct and Indirect

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

Tax Administration

- Waiver of all late lodgement penalties incurred after 1 April 2020 until 31 December 2020
- Implementation of the VAT monitoring system (VMS) deferred to 1 January 2021
- VMS applicable to gross turnover of more than \$100,000. Taxpayers who voluntarily register for VAT (gross turnover less than \$100,000) will not be captured for VMS

Income Tax

- new hotel investment incentive package introduced. Income tax holiday of 5, 7 or 13 years, depending on level of capital investment to the end of 2022 or standard allowance of 25 percent
- export income deduction increased from 50 percent to 60 percent from 2020 to 2022
- business losses up to \$20,000 to be deductible against employment income
- certificate of exemption to be reintroduced for Contractors Provisional Tax
- advance tax payments relaxed to nine payments at a rate of 11.1 percent per month
- penalties on estimated tax to be removed up until 31 December 2020
- debt forgiveness for any and all outstanding debt by associated companies to not be subject to income tax effective from 1 April 2020 to 31 December 2020
- thin capitalisation rules to be suspended up until 31 December 2020
- 300 percent tax deduction for donations to the Government's COVID-19 donor fund
- 300 percent tax deduction for wages and salaries paid to employees who are selfquarantined and approved by the Ministry of Health. Family Care Leave to be utilised first

- Employment Taxation Scheme (ETS) incentives for first full-time employee and student apprenticeships to increase from 200 percent to 300 percent. ETS incentives for employees with disabilities employed for three years will increase from 300 percent to 400 percent
- 100 percent write-off up to \$10,000 available on the purchase of fixed assets up to 31 December 2020
- 100 percent write-off granted for the construction of new commercial and industrial buildings, approvals to be granted before 31 December 2020
- tax deduction given to cover any rental reductions made to existing commercial contracts, from 1 April 2020 to 31 December 2020
- the processing of applications and pending payments under the Film Fiji tax rebate on hold until the COVID-19 pandemic passes

Value Added Tax

- VAT exemption on imports for a range of medical supplies and equipment, effective immediately

Customs Acts

- Warehousing period extended to 12- months with extension provision introduced

Customs Tariff Act

- Reduction in fiscal duty on essential medical supplies to zero percent
- Gradual increase in fiscal duty on the importation of diesel and petrol by 20 cents per litre

Stamp duty

- Removal of \$10 stamp duty on export air waybills
- Reduction of stamp duty for Fiji residents on mortgages from 1.75 percent to zero percent
- Reduction of stamp duty for foreign nationals on mortgages from 5 percent to zero percent



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Fiji National Provident Fund</p> <ul style="list-style-type: none"> — Effective from 1 April 2020 to 31 December 2020 reduction in employee and employer FPNF contribution from 8 percent and 10 percent to 5 percent respectively — Fijian workers in the hospitality sector who have lost their jobs or have had their hours cut since 1 February 2020 able to access an initial \$1,000 from their FPNF accounts, with additional funds to be considered — Employees affected by the nationwide stipulated physical distancing requirements, along with employees in the Lautoka confined area who have been placed on leave without pay or had their hours cut, able to access an initial \$500 from their FPNF accounts — Government to directly subsidise any shortfall in members balance <p>Reserve Bank of Fiji</p> <ul style="list-style-type: none"> — Maintain the Overnight Policy Rate at 0.25 percent — Expand Natural Disaster and Rehabilitation Facility to include businesses affected by epidemics/ pandemics. Renamed Disaster Rehabilitation and Containment Facility — Total allocation for facility now \$60million. Businesses affected by COVID-19 can access funds under this facility through commercial banks, licenced credit institutions or FDB at a maximum interest rate of 5.0 percent <p>Expenditure</p> <ul style="list-style-type: none"> — Additional \$40 million to enhance our health system's response capacity — Additional \$20 million to Education and Social Welfare respectively — Additional \$1 million allocation towards Ministry of Agriculture to bolster Fiji's food security — \$50 million to the FSC to fund cane delivery payments — Additional \$5 million to be added to the small and medium enterprises credit guarantee scheme 	<ul style="list-style-type: none"> — Informal sector in the lockdown areas entitled to one-off Government relief payment of \$150 where holding a street trader or hawker license — Government to fund 21 days COVID- 19 leave for Fijian employees earning less than \$30,000 who have tested positive for the virus — Fijians in the informal sector who tested positive for the virus to be paid a one-off sum of \$1,000 — Banks and hire purchase companies to offer six month deferral of loan repayments for Fijians who have lost their jobs or had their hours reduced. Also available to businesses — Banks to waive all charges on minimum balances in customer's accounts and remove minimum purchasing requirement for electronic transactions — Fiji Investment Corporation Limited to be revived for equity injection into SMEs — Conversion of Government loans to equity in Fiji Sugar Corporation, PAFCO, Fiji Rice Limited, Food Processors Limited and Viti Corp Company Limited — Government to acquire FPNF and FHL's shares in the FSC — WAF to suspend all disconnections until 31 December 2020 — EFL to match Government's 50 percent subsidy to its subsidized customers — 20 percent pay cut for elected officials for the next six months — Pensioners monthly travel allowance reduced from \$40 to \$20



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As of 22 April 2020

General Information

The Hong Kong Government unveiled a new round of stimulus package of HKD137.5 billion on 8 April 2020 to support businesses and individuals as the COVID-19 outbreak continues to severely damage the global economy. The stimulus package represents approximately 5% of Hong Kong's gross domestic product and covers a broad range of issues and sectors. These measures will go towards helping businesses stay afloat, alleviate some of the financial burden suffered by individuals and businesses and ultimately assist the Hong Kong economy in recovering after the COVID-19 crisis passes. This latest round of stimulus builds on the HKD120 billion relief package announced in the 2020-21 Hong Kong Budget and also the HKD30 billion Anti-epidemic Fund approved by Legislative Council on 21 February 2020. The total relief provided by the Government to date has reached HKD290 billion, representing approximately 9.5% of Hong Kong's gross domestic product.

Tax measures – Direct and Indirect

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

Tax Relief:

- 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.

Further relief measures can be found in KPMG's summary of the 'Economic Stimulus and Relief Measures 2019-20'.

- The Hong Kong Inland Revenue Department announced an extended deadline for notification in relation to country-by-country (CbC) reporting in response to the coronavirus (COVID-19) pandemic.
- Under Hong Kong tax rules, a Hong Kong entity of a "reportable group" must file a notification in relation to CbC reporting for an accounting period, and this notification must be filed within three months after the end of the relevant accounting period.
- According to the Inland Revenue release, the Hong Kong entity and its service provider will be deemed as having complied with the notification deadline for the relevant accounting period that ended between 31 December 2019 and 29 February 2020, if the notification is received via the CbC reporting portal on or before 1 June 2020.

On 8 April 2020, the Hong Kong government unveiled a new stimulus package to support businesses and individuals in response to the coronavirus (COVID-19) pandemic. Various administrative measures announced by the Inland Revenue Department to assist taxpayers experiencing financial difficulties as a result of the COVID-19 outbreak include:

- Delaying by one month, the issuance of profits tax returns to 4 May 2020 and salaries tax returns to 1 June 2020 for the year of assessment for 2019/20
- Extending the deadlines for filing (lodgement) to 4 May 2020 of objections and holdover applications as well as for filing due date of tax returns that fall between 23 March 2020 and 2 May 2020
- Extending to 1 June 2020 the date for filing country-by-country reporting notification for entities with accounting periods ended between 31 December 2019 and 29 February 2020
- Deferring by three months the deadline for remitting payments of profits tax, salaries tax and tax under personal assessment for the year of assessment 2018/19 due in April, May and June 2020

Economic stimulus measures

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

Monetary Policy:

- 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.

Fiscal policy:

- 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.

Third stimulus package—overview

- Government rental concessions, fee waivers, provision of loans, and loan-repayment deferrals to assist small and medium-sized enterprises (concessionary interest rates of up to 3% provided for one year, for loans under 80% and 90% guarantees)—other measures include providing tenants of government properties a 75% rent concession for six months, waiving registration fees for medical workers for three years, and deferring payment of salaries tax, personal assessment and profits tax due for payment in April, May, and June 2020 by three months. The MTR Corporation will also reduce fares by 20% for six months commencing from 1 July 2020.
- Other relief through government facilitation (such as support for aviation industry, support enabling banks to lend and to provide individual banking clients with a moratorium on principal, and support for insurance companies providing a grace period from 30 days to 180 days for premium payments)

**Economic stimulus measures***(e.g. loans, moratorium on debt repayments...)***Proposals on providing relief to hard-hit sectors**

- Provide HK\$20,000 Million one-off relief to 16 sectors including:
- To provide a one-off relief grant of \$40,000 to private schools offering non-formal curriculum registered under the Education Ordinance (tutorial schools); expect to benefit 3 000 tutorial schools.
- To provide a one-off relief grant to service providers and suppliers for schools and post-secondary education institutions.
 - Catering outlets (namely, tuck shops, canteens and restaurants): relief grant of \$80,000; expect to benefit 900 operators
 - Lunchbox providers: relief grant of \$10,000 (per school); expect to benefit the providers of 1 000 schools
 - School bus drivers, school private light bus drivers and nannies: relief grant of \$10,000 (per driver/per school bus for nannies); expect to benefit the drivers of 5 300 school buses/school private light buses and 5 300 nannies
 - Instructors, coaches, trainers and operators of interests classes engaged by schools: relief grant of \$7,500 for each eligible individual; expect to benefit 27 000 operators/individuals
- To provide a one-off relief grant of \$7,500 to each registered coach under National Sports Associations and Sports Organisations who has proven coaching record in the past year; expect to benefit 17 000 registered coaches.
- To provide a one-off relief grant of \$7,500 to each instructor of interests classes for organisations subvented by the Social Welfare Department; expect to benefit 8 200 individuals.
- To provide a one-off relief grant of \$8,000 to each private refuse collector; expect to benefit 700 collectors.
- To provide a one-off relief grant of \$10,000 to each local primary producer; expect to benefit 7 600 producers.
- To provide a one-off relief grant to exchange participants and Securities and Futures Commission (SFC) licensed individuals:
 - A subsidy of \$50,000 to each of the some 790 Category B and Category C exchange participants (i.e. brokers ranked 15th onwards by market turnover); and
 - A subsidy of \$2,000 to each SFC licensed individuals, expect to benefit 44 000 licencees
- To provide a one-off cash subsidy to licensed individuals of the estate agency sector. The amount is equal to the 24-month licence fee of the relevant licences; expect to benefit about 40 000 individuals.
- To support passenger transport sector
 - Taxi and red minibus (RMB) drivers
 - To provide a monthly subsidy of \$6,000 for a period of 6 months to each eligible active taxi and RMB driver;
 - To provide a one-off subsidy of \$7,500 for taxi and RMB drivers who cannot meet all the eligibility requirements of an active driver but can fulfill certain conditions; expect to benefit 59 000 taxi drivers and 2 500 RMB drivers;
 - To provide a one-off subsidy of \$30,000 for the registered owner of each taxi and RMB; expect to benefit the registered owners of 18 163 taxis and 1 030 RMBs;
 - To provide a one-off subsidy of \$30,000 to the registered owner of each non-franchised bus (NFB), school private light bus (SPLB) and hire car; expect to benefit the registered owners of about 7 400 NFBs, 2 200 SPLBs and 1 300 hire cars; and
 - Reimburse 100% of the actual regular repair and maintenance costs and insurance premium for 6 months for the five franchised bus companies, nine franchised/licensed ferry operators and Hong Kong Tramways Limited
- To support the following creative industries
 - Cinemas Subsidy Scheme: To provide a subsidy of \$100,000 per screen to each cinema licensed as a place of public entertainment with commercial operation in March. The maximum subsidy for a cinema circuit is \$3 million;
 - PMQ and its tenants: To provide a subsidy of \$25 million for upkeeping PMQ's operation and waiver of its tenants' rental; and
 - Local printing and publishing sector: To meet all the participation fees of eligible participants in the next Hong Kong Book Fair. The maximum amount of subsidy for each participant is \$100,000.

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

- To support tourism industry
 - To provide each of the licensed travel agents with cash subsidy ranging from \$20,000 to \$200,000. Expect to benefit about 1 730 agents;
 - To provide each travel agents' staff and active freelance tourist guides and tour escorts holding a valid pass a monthly subsidy of \$5,000 for six months. Expect to benefit about 26 000 individuals;
 - To provide each licensed hotel with cash subsidy of \$300,000/\$400,000. Expect to benefit about 300 hotels;
 - To provide each coach driver who mainly provides transport services for tourists with a one-off subsidy of \$10,000. Expect to benefit about 9 300 drivers;
 - To waive the monthly fixed rent and management fees of the operator of Kai Tak Cruise Terminal for six months; and
 - To provide subsidy to cruise lines by offering refund of berth deposits for cancelled ship calls during the suspension of immigration service when they schedule a prospective ship call
- To support construction sector
 - To provide a subsidy of \$7,500 to each eligible Registered Construction Worker;
 - To offer a subsidy of \$20,000 to each eligible contractor, specialist contractor and supplier, and company member of major construction-related trade associations; and
 - To offer a subsidy of \$10,000 to each eligible Registered Minor Works Contractor, Registered Electrical Contractor, Registered Gas Contractor, Registered Lift / Escalator Contractor, Registered Contractor under Builders' Lifts and Tower Working Platforms (Safety) Ordinance, Registered Fire Service Installation Contractor and each eligible supplier of construction-related machineries and equipment rental
- To provide a one-off subsidy of \$3 million to the non-profit-making organisations (NPOs) running the projects under the Revitalising Historic Buildings Through Partnership Scheme, PMQ and the Fly the Flyover Operation. Expect to benefit 12 NPOs. The measure can be implemented as soon as funding approval is obtained.
- To support aviation sector
 - To provide one-off subsidy to the aviation sector which is hardly hit by the complete shutdown of international traffic:
 - To provide one-off subsidy of \$1 million per large aircraft registered in Hong Kong and \$200,000 per small aircraft registered in Hong Kong. Expect to benefit about 270 aircraft
 - Aviation support services and cargo facilities operators: One-off subsidy of up to \$3 million (with 100 employees or above) / \$1 million (with less than 100 employees) to each operator. Expect to benefit about 40 operators
 - To support the sectors which are completely or partly closed due to the measures for safeguarding public health imposed by the Government: To provide one-off subsidy to businesses which have been ordered to close or put in place specified precautionary measures pursuant to the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F)
 - operator of amusement game centre: \$100,000. Expect to benefit about 240 amusement game centres
 - holder of commercial bathhouse licence: \$100,000. Expect to benefit about 50 bathhouses
 - operator of fitness centre: \$100,000. Expect to benefit about 1 660 fitness centres
 - operator of place of amusement (billiard establishments, public bowling-alleys and public skating): \$100,000. Expect to benefit about 59 establishments
 - holder of a Place of Public Entertainment Licence (PPEL) (except cinema): \$100,000. Expect to benefit about 180 establishments; holder of a Temporary PPEL: \$20,000. Expect to benefit about 300 establishments
 - holder of Mahjong / Tin Kau Licence: \$100,000. Expected to benefit about 66 establishments
 - operator of club-house with a Certificate of Compliance (CoC): \$100,000. Expected to benefit about 580 establishments beauty parlour operator: \$30,000 to \$100,000 depending on the size of the premises, subject to a cap of \$3 million for each beauty parlour chain. Expected to benefit about 7 000 beauty parlours
 - operator of massage establishment: \$30,000 to \$100,000 depending on the size of the premises, subject to a cap of \$3 million for each massage establishment chain. Expected to benefit about 1 400 massage establishments
 - non-governmental operator of sports and recreational facilities on Government sites: \$100,000 for facilities provided on each Government site. Expected to benefit about 80 Establishments

**Economic stimulus measures***(e.g. loans, moratorium on debt repayments...)***Proposals on easing the cash flow and burden of businesses and individuals****1. Enhancing the SME Financing Guarantee Scheme**

- To introduce enhancements to the 80%, 90% and Special 100% Guarantee Products under the SME Financing Guarantee Scheme
- Estimated additional expenditure of around \$11.69 billion
- Additional guarantee commitment of \$30 billion
- About 20 000 to 50 000 enterprises will benefit
- HKMC Insurance Limited (HKMCI) will immediately liaise with banks on the implementation details, with a view to rolling out the new measures as soon as possible

2. Rental and Fee Concessions for Government Premises

- To increase rental concessions for eligible businesses/organisations operating in government premises from 50% to 75% from April to September 2020. Businesses which have completely ceased operation (such as cross-border ferry piers and tuck shops in government schools) will receive a full rental waiver. About 18 000 hires/tenants will benefit. The Government urges public bodies such as the Housing Authority, the Housing Society, the Urban Renewal Authority and the Airport Authority to provide their commercial tenants with rental concessions and appeal to landlords in the private sector to reduce rental
- To increase the rental or fee concessions from 50% to 75% in respect of eligible short-term tenancies and waivers administered by the Lands Department (LandsD) from April to September 2020. About 5 000 tenants/waiver holders will benefit
- To expand the scope of the above rental concessions and waiver fee concessions to more businesses/organisations not covered by previous rounds of helping measures, such as depots, driving schools, regulators' offices for public transport operators and advertising signboards. Shortterm tenancies and waiver holders which are ordered to close or have chosen to close due to Government's closure orders or other restrictions for safeguarding public health under Cap. 599F may apply for full concession. About 1 300 tenants/ waiver holders/ hirers will benefit
- To extend the 75% waiver of water and sewage charges payable by non-domestic accounts for another four months from August to November 2020, subject to a monthly cap of \$20,000 and \$12,500 respectively per account. This waiver is an extension of the eight months' waivers already offered. About 250 000 non-domestic accounts will benefit
- To waive the registration/enrolment fees for some 125 000 healthcare professionals for three years starting from July 2020 as a token to recognise the contribution of healthcare professionals in the fight against the epidemic

Total estimated revenue forgone arising from the above measures is around \$1.3 billion. The Government will implement the measures above administratively or by way of subsidiary legislation as soon as possible

3. MTRCL Fare Reduction

- MTRCL to provide a 20% fare reduction for a time-limited period of six months between 1 July 2020 and 1 January 2021
- The Government will provide financial assistance to the MTRCL on a 50:50 matching basis. Estimated additional expenditure is around \$800 million
- More than 5 million passenger trips will benefit from this measure (subject to patronage)

4. Expense threshold of Public Transport Fare Subsidy Scheme (PTFSS)

- To temporarily relax the monthly public transport expense threshold of the PTFSS from \$400 to \$200 for a time-limited period of six months between July 2020 and December 2020
- Relevant additional expenditure will be financed by the provision in 2020-21. No additional funding will be sought
- The temporary enhancement of PTFSS will be implemented in July 2020, so that the beneficiaries could collect the enhanced subsidy from mid-August onwards
- Around 3.8 million of commuters will benefit

5. To grant one-off interest-free deferral of loan repayment for two years to self-financing post-secondary

- institutions under the Start-up Loan Scheme, non-profit-making international schools and students receiving loans from the Working Family and Student Financial Assistance Agency (WFSFAA)
- Total Government revenue forgone is about \$463 million. 13 borrowing self-financing post-secondary institutions, three non-profit-making international schools and about 200 000 student loan repayers will benefit
- The Education Bureau (EDB) will invite all borrowing institutions and the three international schools to indicate, within a month's time, whether they wish to accept the two-year loan repayment holiday
- WFSFAA will issue notification letters to student loan repayers concerned to inform them of the two-year loan repayment holiday

6. Deadline for payment of tax for year of assessment 2018/19 that will be falling due will be automatically extended for three months, with details to be announced by the Inland Revenue Department

**Economic stimulus measures***(e.g. loans, moratorium on debt repayments...)***Retail Sector Subsidy Scheme (5,6 Billion HKD)**

- One-off subsidy of HK\$80,000 will be provided to each eligible retail store with business commenced before 1 January 2020 and is still in operation at the time of application. The maximum amount of subsidy for a parent company that operates retail groups or chain stores under the same business registration is HK\$3 million

Electricity charges subsidy to non-residential account (5,2 Billion HKD)

- Subsidy to each eligible non-residential account holder to cover 75% of their monthly electricity charges for 8 months, subject to a cap of HK\$5,000 per month

Food Licence Holders Subsidy Scheme (3,73 Billion HKD)

- Subsidy of HK\$200,000 to each eligible holder of i) general restaurant licence; ii) marine restaurant licence; iii) factory canteen licence
- Subsidy of HK\$80,000 to each eligible holder of i) light refreshment restaurant licence; ii) food factory licence; iii) bakery licence; iv) fresh provision shop licence; and v) siu mei and lo mei shop licence

Subsidy for the transport sector (3,23 Billion HKD)

- HK\$1 discount (1/3 discount) per litre of LPG for 12 months for LPG taxi and public light buses
- Reimburse 1/3 of actual fuel/electricity cost of franchised bus, ferry and tram companies
- One-off subsidy of HK\$10,000 for each specified vehicles (e.g. school bus, goods vehicles, hire cars)
- One-off subsidy of HK\$1 million for each cross-boundary ferry

Enhancements to Dedicated Fund on Branding, Upgrading and Domestic Sales and SME Export Marketing Fund (2 Billion HKD)

- Injection of HK\$1,000 million to each fund to better support enterprises in exploring business opportunities, promoting sales and participating in business missions organised by the Government and related organisations for market development

Waiver of government fees and charges (1,6 Billion HKD)

- Waive 27 groups of government fees and charges for 12 months covering various sectors including maritime, logistics, retail, catering, tourism, construction, agriculture and fisheries

Convention & Exhibition Industry Subsidy Scheme (1,02 Billion HKD)

- All participants of HKTDC's exhibition and major conventions (i.e., over 400 participants) will be subsidised 50% of their participation fee per participation in HKTDC's exhibitions, subject to a cap of HK\$10,000, for a period of 12 months from the time when HKTDC is holding event again
- Subsidises all organisers of exhibitions and international conventions/conferences (i.e. conventions/conferences with over 400 participants and at least 50% of which are non-local participants) at HKCEC and AWE 100% of the venue rental for one year

Reduce the rental for tenancies of government land for community and business use (873 Million HKD)

- Reduce the rental for tenancies of government land for community and business use under the Lands Department, public market stalls leased by the Food and Environmental Hygiene Department, catering establishments and retail stores leased by the Government Property Agency, public cargo working areas leased by the Marine Department and stalls/facilities in the four wholesale markets managed by the Agriculture, Fisheries and Conservation Department by 50% for 12 months

Rental waivers for tenants at the Science Park, industrial estates and Cyberport (380million HKD)

- 6months rental waiver for tenants and start-ups
- Subsidies for live marine fish wholesale traders and fishing vessels with Mainland deckhands
- A subsidy of HK\$200,000 to the operator of each live marine fish wholesale stall in the Fish Marketing Organization markets;
- A subsidy to the owner of each fishing vessel and fish collector vessel with Mainland deckhands
 - HK\$200,000 for each vessel of 25 meters or above in length; and
 - HK\$80,000 for each vessel of less than 25 meters in length

Support to children care centres (220 million HKD)

- Special grant of HK\$21 million per month to 258 aided CCCs for 4 months
- Special grant of HK\$34 million per month to 299 non-aided CCCs for 4 months



Hong Kong (SAR), China (6/8)

As of 22 April 2020

Economic stimulus measures

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

Arts and Culture Sector Subsidy Scheme (150 million HKD)

- Disburse funding to arts and cultural organisations to support staff especially freelance artists as well as workers doing menial and other supportive tasks

Licensed Guesthouses Subsidy Scheme (150 million HKD)

- Subsidy of HK\$80,000 per licensed guesthouse

Travel Agents Subsidy Scheme (140 million HKD)

- Subsidy of HK\$80,000 per licensed travel agents

Enhancement the SME Financing Guarantee Scheme ("SFGS") (117 million HKD)

- Introduce enhancements to the 80%, 90% and Special 100% Guarantee Products under the SGFS
- Additional guarantee commitment of HK\$30 billion

Support to training bodies (90 million HKD)

- Special grant to appointed training bodies

Licensed Hawkers Subsidy Scheme (30 million HKD)

- Subsidy of HK\$5,000 to each hawker licence

**Employment-related measures***(e.g. state compensation schemes, training...)***Implementing the Employment Support Scheme (\$80 billion):**

- The Government will provide wage subsidy to eligible employers to retain the latter's employees. Employers have to undertake that they cannot implement redundancy.
- All employers who have been making Mandatory Provident Fund (MPF) contributions for employees are eligible not just those in particularly hit industries, except those on the exclusion list (employees of the HKSARG, statutory bodies and Government subvented organizations)
- The wage subsidy to be provided by the Government is calculated based on 50% of the monthly salary, which is capped at HKD18,000 (i.e. the median monthly wage in Q2 2019), for a period of six months. A maximum monthly subsidy of HKD9,000 per employee
- Employers would be given the flexibility to designate one of the months between January and April to be the basis on which the subsidy for that business will be calculated
- To be disbursed to employers in two payments, with the first not later than June 2020. Expect to benefit 1.5 million employees
- Employers in other sectors such as catering, construction and transport (mainly taxi and red mini-bus drivers) which are not fully covered by the MPF scheme will be assisted in the sector-specific schemes
- A one-off lump sum subsidy will be provided to self-employed persons who have made MPF contributions

Supporting the unemployed:

- To temporarily relax the asset limits of Comprehensive Social Security Assistance (CSSA) Scheme: To provide a timelimited unemployment support scheme through CSSA Scheme. The asset limits for an able-bodied applicant will be increased by 100% for a period of 6 months. It is roughly estimated that the support scheme would benefit 40 000 households.

Job creation:

- To invest \$6 billion to create around 30 000 time-limited jobs (up to 12 months) in the public and private sectors in the coming two years for people of different skill sets and academic qualifications, benefitting professionals and technicians, fresh graduates, middle level and grassroots workers.

Six measures to encourage staff in various professions to learn new skills and help enterprises to apply technology:

- LAWTECH Fund: To assist some SME law firms/ barristers' chambers to procure / upgrade their information technology system and arrange relevant LAWTECH training for their staff to support the development of remote hearings. About 700 SME law firms/ barristers' chambers and related persons will benefit (about \$40 million)
- COVID-19 Online Dispute Resolution (ODR) Scheme: To provide ODR services for disputes related to or arising from COVID-19 (about \$70 million)
- Encouraging Deployment of 5G: To subsidise the public and private sectors 50% of project costs for projects deploying 5G technologies, subject to a cap of \$500,000 for each project. Expect to subsidise 100 projects (about \$60 million)
- Distance Business Programme: To implement a programme under the Innovation and Technology Bureau to support enterprises to continue business with technology adoption and related training. Expect to benefit over 3 000 enterprises and 40 000 individuals (about \$500 million)
- Training Subsidies for the Construction Sector: To provide training subsidies to some 600 consulting firms through the Construction Industry Council. The subsidy for each company will be \$50,000 (about \$30 million)
- Matching Grants for Skills Upgrading: To provide matching grants for training programmes for staff in the public and private sectors (\$100 million)

Sector-specific relief

- Additional funding of approximately HKD21 billion is to be provided to 16 specific hard-hit sectors including SME Exchange participants and SFC licensees, travel industries, construction-related enterprises, education, school bus operators and the aviation industry.
- **Job advancement (800 million HKD)**
- Help enterprises to apply technology and encourage staff in various professions to learn new skills



Other measures and sources

- One of the worst hit industries during the COVID-19 crisis is the aviation industry with the industry coming to a virtual standstill. Further relief of HKD2 billion will be provided to the Airport Authority, airlines and its immediate supporting operators to ease pressure on their liquidity.
- The Hong Kong Monetary Authority will increase its lending capacity to HKD1 trillion enabling banks to lend and provide individual clients "Principal moratorium" for a specified period to help provide liquidity to businesses, especially the SMEs.
- In addition, all major insurance companies are offering a grace period of premium payment up to 30 to 180 days for holders of individual life, critical illness and medical policies for a specified period.

Flexible Handling of Government Works and Non-works Contracts and Other Development Projects

- Relevant departments will extend the deadline for project completion in accordance with contract mechanism and/or relax the payment schedules of Government works and non-works contracts, as well as extend the Building Covenant (BC) period for development projects by up to six months in land leases. About 1 000 contractors, consultants and land lessees will benefit
- Government departments will work with contractors/ consultants to implement the above measures as soon as possible. On free extension of BC period, LandsD will issue appropriate public notice to promulgate the detailed arrangements for lessees to apply
- For non-works contracts, the Government will encourage procuring departments to provide more frequent payments to contractors, break up milestones in payment schedules into more deliverables to enable more frequent payments, and provide larger sums for upfront/milestone payments. Procuring departments have also been urged to do their best to compress their normal payment cycle from 30 days to around one to two weeks

Main sources of information

- 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>
- Hong Kong: Tax relief, economic stimulus (COVID-19):
<https://home.kpmg/us/en/home/insights/2020/04/tnf-hong-kong-tax-relief-economic-stimulus-covid-19.html>

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As of 22 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

Ordinance for relaxation of certain provisions

On 31 March 2020, the President promulgated the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020, to provide relaxation of certain provisions. Direct tax related reliefs are summarized as follows:

- Under 'Vivad Se Vishwas Scheme' (Dispute Settlement scheme involving payment of specified percentages of tax dues for a waiver of interest and penalty), the time limit for making payment to avail the scheme without any additional amount has been extended from 31 March to 30 June 2020.
- Where any time limit specified under the specified Acts falls during the period from 20 March to 29 June 2020, or such other date after 29 June 2020 as the government may notify, for the completion or compliance of the following actions:
 - Completion of any proceeding or passing of any order or issuance of any notice, intimation, notification, sanction or approval or such other action, by whatever name called, by any authority, commission or Tribunal, by whatever name called.
 - Filing of any appeal, reply or application or furnishing of any report, document, return, statement, or such other record, by whatever name called.
 - In case where the specified Act is the Income-tax Act, making of investment, deposit, payment, acquisition, purchase, construction or such other action, by whatever name called, to claim any deduction, exemption or allowance under the following provisions:
 - Section 54 to 54GB; or
 - Chapter VI-A under the heading 'B – Deductions in respect of certain payments'; or
 - Such other provisions of the Act as the government may notify.
 - Beginning of manufacture or production of articles or things or providing any services referred to in Section 10AA, in a case where letter of approval, required to be issued in accordance with the provisions of the SEZ Act has been issued on or before the 31 March 2020

and where completion or compliance of such action has not been made within such time, then, the time limit for compliance or completion of such action has been extended to 30 June 2020 or such other date after 30 June 2020, as government may notify.

- Where any due date specified under the Act for payment of any amount towards tax or levy, by whatever name called, falls during the period from 20 March to 29 June 2020, or such other date after 29 June 2020 as the government may notify, and such amount has not been paid within such date, but has been paid on or before 30 June 2020 or such other date after 30 June 2020 as the government may notify, then:
 - The rate of interest payable for the period of delay i.e. period between the due date and the date of payment) shall not exceed 0.75 per cent for every month (9 per cent per annum).
 - No penalty shall be levied and no prosecution shall be sanctioned
- The term 'Period of delay' has been defined to mean the period between the due date and the date on which the amount has been paid.
- 100 per cent deduction to donation made to PM CARES Fund under Section 80G of the Act. Further such income will be exempt in the hands of recipient under Section 10(23C) of the Act.

Expediting pending income-tax refunds

- To provide immediate relief, the government has given directions to immediately issue all the pending income-tax refunds of up to INR 0.5 million.

Relief with respect to applications for lower/nil rate for tax deduction/collection

- Pending applications for issue of certificates for tax deduction/collection at source at a lower/nil rate for FY 2019-20 to be disposed of by 27 April 2020.
- Validity period and threshold limit of the lower/nil tax certificates for FY 2019-20 will extend for further period and apply afresh from 1 April 2020 to 30 June 2020 for FY 2020-21.
- Where the taxpayer has neither made an application for FY 2020-21 nor has any certificate been issued for FY 2019-20, tax on payments made to non-residents (including foreign companies) having a Permanent Establishment in India will be deducted at the rate of 10 per cent including surcharge and cess, on such payments till 30 June 2020, or disposal of their applications, if made, whichever is earlier.



Updated

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

Updated tax return forms for FY 2019-20

- Few tax return forms were released in January 2020. However, to ensure that the taxpayer is enabled to avail all benefits of the timeline extension (like investment, etc.), the tax authorities will issue updated tax returns forms for FY 2019-20 by 31 May 2020.

Indirect tax

Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019

- Amount payable under the scheme has been extended till 30 June 2020. Further, it may be noted that various timelines prescribed for issuance of the statement by the designated committee, have also been extended to 31 May 2020, except in cases where the amount estimated exceeds the amount declared by the declarant, in such cases.

Option to defer payment of tax and filing of GST returns

- As an immediate relief, Government has granted an option to the taxpayer to defer payment of tax and file GST return in Form GSTR-3B for the period February to April 2020 upto 24 June 2020 without payment of any late fee and penalty. As far as interest is concerned, a concessional interest @ 9 per cent p.a. (instead of 18% p.a.) is leviable only after 15 days from the end of the original due date. Similarly, monthly return of outward supplies in Form GSTR-1 which is generally due on 11th of next month has been extended upto 30 June 2020 for the months of Mar, April and May.
- Annual Return and GST Reconciliation Statement for FY 18-19 which was due by 31 March 2020 has been extended upto 30 June 2020.

Amendment to the Central Goods and Services Tax Act, 2017

- New section 168A has been inserted in the Central Goods and Services Tax (CGST) Act, 2017, to give powers to the central government, on the recommendation of the GST Council, to extend the time limit of compliances in case of 'force majeure' such as Covid-19.

Immediate Grant of Refund

- With an objective to provide immediate relief to the businesses, the government has given directions to issue all the pending eligible refunds under both the GST and Customs law by 30 April 2020.

Temporary suspension of provision restricting the claim of input tax credit for unreported transactions

- Currently, the taxpayer is allowed to avail Input Tax Credit (ITC) of the amount appearing in the Form GSTR-2A (i.e. invoices reported by the vendors in their returns). However, in respect of unmatched invoices, the ITC is restricted to 10% of matched invoices. Unmatched invoices are those invoices which have not been disclosed/uploaded by the supplier in their respective GST returns. With the aim to provide an immediate relief to the industry, the aforementioned restriction has been relaxed for the tax period February 2020 to August 2020. However, taxpayer would be required to make a cumulative adjustment for the aforementioned months in the GST return for the month of September 2020.

Electronic Way bill (E-way bill)

- Amid current lock-down, the government has notified that where the validity period of an e-way bill expires between 20 March 2020 to 15 April 2020, the validity period of such e-way bill shall be deemed to have been extended till 30 April 2020.



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

Customs related relaxations

- Primarily exporters importing goods under Advance Authorisation/Export Promotion Capital Goods scheme and imports made by an Export oriented unit, were granted exemption from levy of IGST and Compensation Cess up to 31 March 2020. The said exemption has now been extended till 31 March 2021.
- The government has notified an exemption from levy of both Basic Customs Duty and Health cess on import of Ventilators, face masks and surgical masks, personal protection equipment, COVID-19 testing kits and also on inputs used in the manufacture of these goods.
- Central Board of Indirect Taxes & Customs ('CBIC') have recently announced measures to further enhance the automation in customs clearance process. Accordingly, from 15 April, 2020, customs authorities will enable electronic communication of PDF based Final **electronic Out of Charge copy ('eOoC') of Bill of Entry (BoE)** and e-Gatepass to the importers / Customs Brokers. The Final eOoC copy of BoE and e-Gatepass copy will be emailed to the concerned Customs Broker and / or importer, if registered, once the Out of Charge is granted. The e-Gatepass copy will be used by the Gate Officer or the Custodian to allow physical exit of the imported goods from the Customs area.

Foreign Trade Policy 2015-20

- The Foreign Trade Policy 2015-20 which was valid till 31 March 2020, is extended up to 31 March 2021.

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

- The Government had recently announced the introduction of a new scheme "Remission of Duties and Taxes on Exported Products" (RoDTEP) to replace the Merchandise Exports from India Scheme (MEIS) available to exporters of goods. Accordingly, the items covered under the existing MEIS scheme would be shifted in a phased manner to the new RoDTEP scheme. In light of the extension of the Foreign Trade Policy 2015-20 (FTP) [which was due to expire on 31 March 2020] upto 31 March 2021, the government has now clarified the following:
 - The benefit under the MEIS for any of the prescribed item/tariff line/HS code shall continue to be available till 31 December 2020
 - Prior to 31 December 2020, as and when an item/tariff line/HS code is notified to be covered under the RoDTEP Scheme, it would at the same time be removed from coverage under MEIS.

Relaxation of time limit

- For the Central Excise Act, 1944, Customs Act, 1962 (except certain specified sections), Customs Tariff Act, 1975 and Chapter V of the Finance Act, 1994 (Service Tax provisions):
 - Completion of any proceedings or issuance of any order, notice, intimation, notification or sanction or approval, by whatever name called, by any authority, commission, tribunal, by whatever name called; or
 - Filing of any appeal, reply or application of furnishing of any report, document, return or statement, by whatever name called falling during the period from 20 March 2020 to 29 June 2020, the due dates stand extended to 30 June 2020 or such other date after 30 June 2020 as may be notified.



Updated

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 – Social security

- The Employees Provident Fund Organization (EPFO) has announced - employees who contribute to EPF can withdraw upto 75 percent of the account balance or 3 months' basic salary and dearness allowance, whichever is lower.
- Establishments which employ upto 100 employees and if 90 percent of whom earn upto INR 15,000 per month, the government will pay the employee provident fund contribution both of the employer and the employee (12 per cent each) for April 2020 to June 2020
- EPFO have extended the due date for payment of contribution for wage month of March 2020 from 15 April 2020 to 15 May 2020 (30 days grace period)

Immigration

- Lockdown 1.0 - The entire country was on a 21-day lockdown from 25 March 2020 to 14 April 2020. All domestic and international travel had been suspended till further notice. Hence, travel in/out of India was restricted
- As per the Circular issued by the Ministry of External Affairs, foreign nationals who were stranded in India during Covid-19 crisis and whose Visa expired between 01.02.2020 and 30.04.2020 was granted an automatic extension of their Visa till 30.04.2020 after making an online application for the same
- Exit of such foreign nationals was also granted without levy of overstay penalty
- Lockdown 2.0 – All above mentioned changes extended till 3 May 2020. Further, foreign national can leave India upto 14 days from 3 May 2020 i.e. 17 May 2020 without levy of penalty for overstay



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Customs Measures	Other measures and sources
<p>Financial services (Relaxation for 3 Months):</p> <ul style="list-style-type: none"> 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 <p>Insolvency and Bankruptcy Code (IBC):</p> <ul style="list-style-type: none"> 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. <p>Relief measures announced by Reserve Bank of India on 27 March 2020:</p> <p>Liquidity measures</p> <ul style="list-style-type: none"> 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. <p>Regulatory measures</p> <ul style="list-style-type: none"> 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 	<p>Exports of medical equipment</p> <ul style="list-style-type: none"> Prohibition on exports of following: <ul style="list-style-type: none"> Surgical masks/disposable masks (2/3 ply), Textile material for masks and coveralls All ventilators including any artificial respiratory apparatus or oxygen therapy apparatus or any breathing appliance/device Sanitizers Hydroxychloroquine (allowed on certain cases on a government to government basis only) Formulations made from hydroxychloroquine Restriction (export permitted under a license) on exports of Diagnostic kits <p>Imports of medical equipment</p> <ul style="list-style-type: none"> Exemption from customs duty and health cess, (w.e.f. 9 April 2020 to 30 September 2020) on import of following: <ul style="list-style-type: none"> Artificial respiration or other therapeutic respiration apparatus (ventilators) Face masks and surgical masks Personal protection equipment (PPE) COVID-19 testing kits Inputs for manufacturing of aforesaid four items (subject to certain conditions) 	<p>Corporate affairs:</p> <ul style="list-style-type: none"> 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 <p>Main sources of information</p> <ul style="list-style-type: none"> 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 22 April 2020

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...)

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
- 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)



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Relief for individual taxpayers

- The relief measures include reporting and payment relief with regard to the individual income tax return that is filed annually. The tax administration will waive the administrative penalty that would be imposed if the annual income tax return for fiscal year 2019 and payment of tax is made by individual taxpayers on or before 30 April 2020. The forbearance will be that a tax collection letter will not be issued.
- In additional, tax amnesty annual reporting by individuals (that had been set to be submitted by 31 March 2020) can be submitted by 30 April 2020.
- In general, the relief allows more time for taxpayers and the tax administration to comply with certain deadlines, such as:
 - The due date for filing an objection is extended for a maximum of six months (from three months to nine months).
 - The deadline for refunds of tax overpayments will be extended for one month.
 - The due date for requesting reductions or elimination of administrative penalties, refunds of tax overpayments, cancellation of incorrect tax assessments, and cancellation of inspection (audit) results will be extended for a maximum of six months.



Updated

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

New digital economy tax measures

- On 31 March 2020, the Indonesian government issued the Government Regulation in Lieu of Law (Peraturan Pemerintah Pengganti Undang-Undang/Perppu) No.1 Year 2020 (the regulation) which purports to apply new measures to the digital economy. The issuance of the regulation occurred in the context of the Indonesian government's response to Covid-19.
- Of particular note is that the regulations seek to apply 10% VAT to the provision of intangible goods and services through an e-commerce system by non-residents for consumption in Indonesia. The obligation to register and account for VAT will apply to foreign e-commerce providers (including foreign platforms, foreign individuals and digital companies). Foreign e-commerce providers will be entitled to appoint a representative in Indonesia to fulfil their tax obligations.
- The regulations in relation to VAT are currently unclear as to whether they will apply to both B2B transactions and B2C transactions, though it is hoped that they would not apply to B2B transactions given the existence of an existing reverse charge mechanism. It is similarly unclear whether there is a minimum turnover threshold applicable to foreign e-commerce providers, whether a simplified VAT registration will apply, and whether tax invoices must be issued. The mechanism by which to determine whether a liability falls on the foreign e-commerce provider or to a foreign platform is similarly unclear at this stage.
- The regulations also seek to deem foreign e-commerce providers with a significant economic presence in Indonesia as having a permanent establishment under local law and therefore being subject to domestic tax. Where this conflicts with a treaty entered into by Indonesia with another contracting state, the regulation purports to subject foreign e-commerce providers to an Electronic Transaction Tax (ETT) in respect of sales in Indonesia. It is unclear whether this ETT will be a form of turnover tax similar to a digital services tax, or something else entirely.
- In terms of enforcement, the regulations indicate that a failure to comply may result in denial of access to the Indonesian market, presumably by some form of geo-blocking or cancellation of “.com.id” addresses.
- There is a lot of detail which is yet to come in the form of implementing regulations. Importantly, it is also unclear whether the regulations will take effect from 31 March 2020 in terms of transactions taking place from that date, or whether the commencement date will await the release of the implementing regulations. It should be noted that the Indonesian government has made a few prior attempts to impose new regulations governing the digital economy, and was not able to do so. It remains to be seen whether this time will be different.



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.



As of 22 April 2020

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



As of 22 April 2020

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>;



Customs Measures	Other measures and sources
<p>Customs formalities</p> <ul style="list-style-type: none"> — There is flexibility in submitting original SKA Form E as a result of COVID-19 pandemic, i.e. copy/scan of SKA Form E can be submitted to claim preferential tariff as a temporary replacement of the original SKA Form E, for the SKA Form E issued starting from 30 January 2020, while the original one has to be submitted to the Customs Office where the import is performed no later than 90 (ninety) calendar days after registration date of Import Declaration. <p>Excise</p> <ul style="list-style-type: none"> — Factories or storage areas of ethyl alcohol may be given excise exemption for social purposes as raw material for the manufacture of hand sanitizers, surface sanitizers, antiseptics, in the context to prevent and control COVID-19, by submitting request and attach statement letter from government agency stating that ethyl alcohol is only used for the prevention and control COVID-19 in the case that orders are made by government agencies or recommendation letter from government agencies who deal with disaster management in terms of orders made by non-governmental organizations. <p>Duty relief</p> <ul style="list-style-type: none"> — In order to facilitate entry of goods by obtaining the exemption of customs duty, excise, and/or tax in the framework of import and the exemption to the provisions of the import trade system to avoid and resolve COVID-19 can be carried out by the specific steps and procedures. — Income Tax Art. 22 on importation performed by specific importer shall be exempted upon request of Exemption Certificate, applicable only to specific Business Classification Codes (102 industry codes as attached to Attachment F of the regulation) and/or Company under Importation Easiness for Export Orientation ("KITE") license; — VAT: On specific taxpayers can be given preliminary refunds as low risk taxable entrepreneur. 	<p>Main sources of Information:</p> <ul style="list-style-type: none"> — Circular Letter No. SE-02/BC/2020 dated 18 February 2020 regarding Examination Guidelines for Importation of Goods Coming from China using ACFTA Preference Rate Scheme (SKA Form E) as an Impact of COVID-19 Pandemic — Circular Letter No. SE-04/BC/2020 dated 17 March 2020 regarding Ethyl Alcohol Excise Exemption in order to follow up the Prevention of COVID-19 Spread — National Standard Procedure between the Directorate General of Customs and Excise and the National Disaster Management Authority ("BNPB") No. 01/BNPB/2020, No. KEP-/13/BC/2020 dated 20 March 2020 regarding the Acceleration Service of Importing Goods for Resolving COVID-19 — Minister of Finance Regulation No. PMK-23/PMK.03/2020 dated 21 March 2020 regarding Tax Incentives for Taxpayers who are impacted by COVID-19 which will be valid starting from 1 April 2020

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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.
- **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).
- **7 April:** The government announced additional emerging economic package to stimulate the economy. Total scale of the package is 108 trillion yen (1.0 trillion USD) and it is equivalent to 20 percent of the country's GDP.
- **8 April:** The government issued the declaration of a state of emergency until May 6 for 7 prefectures (Tokyo, Kanagawa, Chiba, Saitama, Osaka, Hyogo and Fukuoka) to prevent the spread of infections.

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.

Request for work style change

- The government asked people and companies for promotion of telework to prevent the spread of infection

Extension of employment adjustment subsidies program

- Employment adjustment subsidies program aims to support employers who are suffered from the business downturn but maintain employment by paying leave allowance and letting employees take partly paid leave, rather than firing them.
- The subsidy reimburses 4/5 for a SME employer or 2/3 for a large enterprise of the leave allowance. The subsidy is however capped at an upper limit, which is JPY 8,330 a day per employee on the leave as of late March 2020.

Relaxation of Due Dates

- Income tax return, estate tax filing, and consumption tax return filing due date for individuals was initially extended to April 16, 2020, thereafter extended beyond April 17, with no final date specified.
- Income tax, estate tax, consumption tax payment due date was initially extended to April 16, 2020 if the tax payment is made in cash through a tax payment slip. In connection with the above filing due date extension, tax payment due date also extended to when tax returns are filed.
- Income tax payment due date extended to May 15, 2020 for income tax for taxpayers who are opting to pay via automatic bank withdrawal, but is also expected to be extended.
- Consumption tax payment date extended to May 19, 2020 for consumption tax, but is also expected to be extended.
- The “tax commission” of the coalition government proposed certain tax measures and Japan's National Tax Agency released a list of “frequently asked questions” (FAQs) about tax relief measures provided in response to the coronavirus (COVID-19) pandemic.
- The FAQs (released 8 April 2020) concern the procedures for extending the return filing and tax payment due dates with respect to corporation tax, local consumption tax, and withholding tax. There are also updated FAQs concerning the tax treatment relating to COVID-19 issues.



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

Proposed Japan Tax Reform

The LDP and Komeito agreed to an emergency tax reform plan in view of the spread of the new Covid-19 virus. The plan is expected to be finalized within April and put into effect from May 2020.

Some of the key items that are expected to be included in the tax reform bill are as follows.

- Small to medium sized companies and sole proprietorships that have suffered a significant loss of income as a result of the Covid-19 pandemic will effectively be able to postpone payment of Japanese income tax, corporation tax, and potentially other taxes for up to a year. No interest will be assessed and no collateral needs to be presented to the NTA to avail of the extension. This measure is expected to be made available to small and medium sized companies and sole proprietorships if in any period equal to or greater than one month between February 2020 and the tax payment due date, income decreased by at least 20% compared to the same period in the previous year.
- Fixed assets tax on business properties and depreciable assets is a property tax which is ordinarily assessed based on certain property values, independent of income. Such fixed assets tax and depreciable assets tax will be halved or exempt depending on how much income has been lost. If in any 3 month period between February and October of 2020, the entity's income is reduced by at least 30% compared to the same 3 month period in the previous year, fixed assets tax/depreciable assets tax payable in 2021 will be halved; if an entity's income for the 3 month period is reduced by at least 50% compared to the same 3 month period in the previous year, fixed assets tax/depreciable assets tax payable in 2021 will be exempt.
- Small to medium sized companies with capital of JPY 100 million or less are able to carryback losses to claim a tax refund for tax paid in a prior period. This privilege is expected to be extended to larger companies with capital of JPY 1 billion or less, with respect to any tax losses generated in a period ending between February 1, 2020 and January 31, 2022. However, the above treatment is not expected to be made available to entities whose shares are 100% held by a large corporation (capital of greater than JPY 1 billion) or multiple large corporations within the same group.
- Small to medium sized companies that make investments in equipment, software, buildings and fixtures to facilitate tele-working will be allowed to deduct expenses relating to such investments immediately, or will be allowed a tax credit equal to 7% (10% for companies whose capital is JPY 30 million or less) of the investment amount.
- In order to ease the financial burden on organizers of cultural, artistic, or athletic events in Japan which had to be cancelled as a result of the Covid-19 pandemic, taxpayers may claim a donation deduction for the amount they paid for such events (up to a maximum of JPY 200,000) if they forfeit their right to claim a refund from event organizers.
- An extension of a 1% reduction in fuel tax applicable purchases of personal use vehicles has been extended to March 2021 (currently scheduled to expire September 2020).

- The currently available reduction in income tax for 13 years for taxpayers that have obtained a loan to acquire a home will be extended to certain taxpayers for income tax applicable to 2021 or later. The requirement to benefit from this concession is that the taxpayer must satisfy the following:
 - be delayed from moving into their new residence due to the Covid-19 pandemic,
 - enter into a contract for a new home, a used home or renovations to an existing home by the end of September 2020 for a new home and by the end of November 2020 for all other cases; and
 - move into the home by the end of December 2021. The tax benefit will be available for income tax for or after 2021.
- An election to become a consumption taxpayer or a revocation of an election to become a consumption tax payer must, in principle, be filed prior to the commencement of the period in which the such election/revocation is intended to apply. The tax office may still grant retroactive application of such election if the following conditions are satisfied:
 - such filings could not be made in time as a result of the Covid-19 pandemic,
 - the taxpayer's revenue in a period greater than 1 month decreased by more than 50% compared to the same period in the prior period, and
 - such election is filed prior to the tax return filing due date of the relevant period.



Employment-related measures (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)
<p>Request for work style change</p> <ul style="list-style-type: none"> – The government asked people and companies for promotion of telework to prevent the spread of infection <p>Expansion of employment adjustment subsidies program</p> <ul style="list-style-type: none"> – MHLW (Ministry of Health, Labor and Welfare) decided to the expansion of employment adjustment subsidies program and ease its eligible criteria. – Employment adjustment subsidies program aims to support employers who are suffered from the business downturn but maintain employment by paying leave allowance and letting employees take partly paid leave, rather than firing them – As a special measures effective from April.1 to June.30, MHLW subsidize 4/5 of leave allowance for SMEs and 3/5 of leave allowance for large enterprises – The subsidy is however capped at an upper limit, which is JPY 8,330 a day per employee on the leave as of April. 	<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>Key business support measures:</p> <p>Loan for large companies</p> <ul style="list-style-type: none"> – Ministry of Finance(MOF) decided to use loan for crisis response. Low interest rate loan provided by Development Bank of Japan(DBJ) . Under this scheme, there are no upper limit of loan and Japanese media reported to use by large companies(e.g. Airline companies, Automotive manufactures etc.) <p>Loan and loan guarantee for SMEs</p> <ul style="list-style-type: none"> – Ministry of Finance(MOF) decided to use safety net loan(loan limit:JPY720million) and loan for crisis response(loan limit:JPY300million) to support SMEs. Low interest rate loan provided by government financial institutions (JFC, Shoko Chukin Bank etc.). – Ministry of Finance(MOF) established special loan program for novel coronavirus. Low interest rate loan provided by Japan Finance Corporation(JFC) and Okinawa development finance corporation. Loan limit is JPY300million. – Ministry of Economy, Trade and Industry(METI) decided to use safety net guarantee program (guarantee limit:JPY280 million) and crisis related guarantee (guarantee limit:JPY280 million) to support SMEs. – The government proposed private financial institution's no-interest unsecured loan provided by utilizing prefectural directed credit programs. The loan limit is JPY30million. For implementation, budget approval in national congress required. Japanese media reported budget approval will be late of April.



Customs Measures	Other measures and sources
<p>Import / Export</p> <ul style="list-style-type: none"> — Priority is given to the import and export customs clearance of goods that need to be cleared urgently, such as relief goods related to countermeasures against coronavirus and goods for securing lifelines. <p>Duty relief</p> <ul style="list-style-type: none"> — If it can be confirmed that the goods being imported will be provided free of charge, the duty and JCT imposed on the goods will be exempted. In making a declaration of import of relief goods, etc. pertaining to the said measures, a declaration may be made in a simplified form in the procedures to be followed. — Export of relief goods can also be declared using a simple form. <p>Customs procedures</p> <ul style="list-style-type: none"> — In the event that the coronavirus causes difficulties in customs clearance procedures, Japan Customs are providing a flexible response as follows: <ul style="list-style-type: none"> - Declaration at a convenient customs office - Handling of seal. (i.e. for items that require the importer/exporter's or customs broker's seal, such seal is not required.) - Handling of items for which the original must be submitted or presented in writing (i.e. Documents may be extended or submitted electronically.) - Telework of Customs Brokers — If it is found to be difficult to submit a certificate of origin, the submission will be postponed. Please note that this treatment requires the submission of a certificate of origin of export country itself. Therefore, if importer is unable to submit the Certificate of Origin of the export country, importer will not be able to apply the preferential tariff rate, and importer will need to file an amended return if there is a shortfall in the amount of duty and other tax 	<p>willMain 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 — PM's Office: http://japan.kantei.go.jp/ongoingtopics/index.html — Bank of Japan: https://www.boj.or.jp/en/mopo/mpmsche_minu/index.htm/

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- 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
- 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...)***All businesses/legal entities**

- Business owners are exempt from three types of taxes until 31 Dec 2020:
 - Property tax for legal entities and self-employed individuals that operate in large shopping centers, shopping and entertainment 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 deadline for tax declaration submission is postponed to Q3 2020
- The penalty accrual on unfulfilled tax obligations to be ceased until 15 Aug 2020
- Tax deferrals: SMEs will be allowed to defer all types of taxes and other obligatory payments until 1 Jun 2020
- For all EAEU Member States: import duties cancelled on goods necessary for livelihood until 30 Jun 2020, and for some types of medical devices and medicines zero duties will be valid until 30 Sep 2020 (the decision can be extended if necessary)

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

- 500,000 medical masks: the President of Kazakhstan donated masks to be distributed to orphanages, hospitals and socially vulnerable groups
- KZT14.8 bn - for construction of three quarantine modular complexes in Nur-Sultan, Shymkent and Almaty
- The state authorities stopped invoicing rental payments under state property lease agreements until 20 Jun 2020

Workers involved in combatting COVID-19

- A new package of financial support for physicians working on combatting the virus is being developed. KZT40.6 bn - on incentive measures for healthcare workers participating in quarantine activities, KZT19.5 bn - for health organizations treating coronavirus patients. It will be spent on:
 - A bonus in the amount of 20 minimum salaries (KZT850 th) for workers in a very high risk environment
 - A bonus in the amount of 10 minimum salaries (KZT425 th) for workers in a high risk environment
 - A bonus in the amount of 5 minimum salaries (KZT212.5 th) 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 – KZT8 bn
- Employment Roadmap program is expected to help find jobs to >600 th people, KZT1 tn to be allocated to support employment. KZT85 th will be paid to those who participate in the program

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

- 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
- Oil refineries are exempt from excise tax on exported gasoline and diesel fuel until 31 Dec 2020
- 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
- Business entities may apply for low-interest loans under the rescue package. The loans for individuals are capped at KZT50 mln, for SMEs - at KZT3 bn

Other measures and sources**Individuals**

- 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
- KZT39.1 bn - to finance measures to prevent the Covid-19 spread and purchase vital food for population, including KZT23.5 bn - for ongoing anti-epidemiological measures
- Value-added tax was reduced from 12% to 8% for socially significant food products until 1 Oct 2020

Nur-Sultan and Almaty residents

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

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.

Among the measures announce:

- 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.
- Certain tax compliance deadlines that have been extended in response to the coronavirus (COVID-19) pandemic include postponement of the deadline for submitting country-by-country (CbC) reports. CbC reports that were either due 31 March 2020 or 30 April 2020 are now due 15 May 2020. The same deadline will apply for CbC notifications.

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

- 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.

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

- 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).

Other measures and sources**Main sources of information**

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

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As of 22 April 2020

Updated

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...)
<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. <p>Protection of Essential Products</p> <ul style="list-style-type: none"> — The Ministry of Commerce has banned speculation in the market of selling and distributing health aid equipment related to COVID-19, medicines, and consumer goods. <p>Import/Export</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. — India extends deadline to import quota of 250,000 tonnes of Myanmar mung beans until May 15, 2020. <p>Visa extensions for foreigners</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.



Updated

Other measures and sources

Safety Measures

- Some cities have imposed curfews. Yangon will effectively be under a curfew from 10pm to 4am.
- The Ministry of Health and Sport has:
 - Banned gatherings of five people or more effective April 17, 2020.
 - Imposed stay-at-home orders in seven townships in Yangon Region.
- The Ministry of Labour, Immigration and Population announced that factories will be allowed to open after inspections that are to take place from April 20 to April 30. Priority will be given to pharmaceutical factories, foodstuff factories, and factories with more than a thousand workers.



Asia Pacific from N to Z

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As of 22 April 2020

General Information

NZD 12.1 billion business continuity package:

- 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.

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

Business Income Tax

- 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

Filing/Payment Deadline Extension

- 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.

Inland Revenue announced relief concerning advance pricing agreement (APA) reporting and compliance, and in particular with regard to possible breaches in the terms of an APA during the coronavirus (COVID-19) pandemic. The Inland Revenue guidance permits companies to make crucial business decisions that may have arm's length implications that in turn may result in breaches of an existing APA without having to notify Inland Revenue. Previously under the terms of an APA, companies were expected to discuss any APA breaches with Inland Revenue and to disclose the implication of these breaches on the validity of the APA prior to filing (lodging) an annual compliance report.

- Because companies will no longer be required to discuss breaches (or potential breaches) with Inland Revenue during this time, these breaches will need to be addressed in the annual compliance report when it is filed with Inland Revenue. Under this relief, Inland Revenue will review the annual compliance reports in due course and keeping in mind the implications of COVID-19 for the business.
- Once the disruption caused by COVID-19 has significantly passed, APAs will potentially be reset or reconsidered with Inland Revenue.

Liquidity Measures

- The Minister of Finance on 14 April 2020 announced three tax measures that are focused on providing and enabling cash-flow and freeing Inland Revenue's ability to respond to the consequences of the coronavirus (COVID-19) pandemic.
- Three tax measures include:
- A tax loss "carry back" rule to allow refunds of tax paid in a prior year—there would be a temporary rule for tax losses in the 2020 and 2021 tax years and a permanent rule for future years.
- A same or similar "business test" to allow tax losses to be carried forward—this would be intended to help companies to raise capital.
- A temporary rule to give Inland Revenue flexibility to "relax" time frames and processes without the need for Cabinet approval.
- These measures would apply to all businesses (not just small business).



New Zealand (2/2)

As of 22 April 2020

Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<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/tmf-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

**CONTACTS:****Tax:** Karen McEntee kmcentee@kpmg.com.au**As of 22 April 2020****General Information**

Bank of Papua New Guinea (BPNG) announced a range of policy measures to maintain monetary and financial stability and provide liquidity to businesses and individuals at a reasonable cost.

The Internal Revenue Commission (IRC) initiated tax administrative relief measures.

An economic stimulus package was introduced by the Government to support business activity, protect jobs and ensure continued investment.

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)
Economic stimulus measures**IRC measures include:**

- One month extension to 30 April 2020 of the current Salary Wages Tax (SWT) Amnesty that expired on 31 March 2020, under the same terms.
- There is the potential to avail of a two month extension on the lodgement of corporate income tax returns and personal income tax returns.
- The potential to apply for an installment arrangement for Corporate Income Tax and Personal Income Tax due under the 2020 lodgement program until after 30 June 2020 for taxpayers impacted by the crisis. Taxpayers may obtain agreement to pay the tax due in instalments until the end of 2020. This does not apply to provisional tax.
- Withholding taxes due may be deferred by 21 days.
- Priority will be given for the processing of GST refunds for medical services, hospitality, tourism, manufacturing, air transport and agriculture sectors.

BPNG measures include:

- A reduction in the Kina Facility Rate (KFR) from 5% to 3%. BPNG have also directed the banks to reduce their respective Indicator Lending Rates.
- A reduction in the Cash Reserves Requirement from 10% to 7% to provide additional liquidity to the banking system.
- The intention to buyback Government securities (either Treasury Bills or Government Inscribed Stock) in an open market quantitative easing programme to provide liquidity to holders of these instruments. This programme is offered for a three-month period and includes flexibility around full or partial redemptions.
- Encouraging interbank borrowing and lending among commercial banks by increasing the margin on Central Bank borrowing and lending to commercial banks by 25 basis points to 100 basis points on both sides of the KFR.
- Continuing to provide the Intra Day Liquidity Facility to commercial banks to support the efficient clearing of payment transactions. This facility can be accessed on demand at prevailing limits.
- New purchases under the Tap Facility will cease throughout the fourteen day SOE period until further notice.
- Authorised Foreign Exchange Dealers have been directed to give priority to retailers and wholesalers of medical drugs, medical and pharmaceutical companies and the import of Covid 19 related products. BPNG will also make foreign currency directly available to the Department of Health for Covid 19 related purchases overseas.
- Prudential requirements will be relaxed to cover the three months' loan repayment holiday, namely the Prudential Standards relating to asset quality, capital adequacy and loan loss provisioning.
- BPNG have committed to supplying adequate currency to commercial banks on a daily basis.

Treasury measures include:

- The announcement of a K5.6 billion stimulus package. The economic stimulus package addresses budget and monetary policies, superannuation policies, business to business support, procurement policies and regulations and includes the following measures:
 - Loan repayment holidays
 - Issuance of Treasury Bonds
 - Superannuation fund support
 - Spending on critical health, security and economic sectors

Measures by superannuation funds include:

- Payments to members whose employment has been terminated.
- Investments in Treasury Bills.
- Arrangements for employers for monthly contributions and relief from penalty interest.
- Concessions on rental payments.

**CONTACTS:****Tax:** Rana Nadeem Akhtar – rananadeem@kpmg.com**Legal:** Shaheen Qureshi – shaheenqureshi@kpmg.com**As of 22 April 2020****General Information**

On **03 April 2020** The Government of Pakistan (GoP) announced a special incentive package for construction industry
 On **30 March 2020** 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
(e.g. payment deferrals, rate reductions...)
Tax Relief

- **03 April 2020: Special Incentive package for construction industry announced by GoP:**
 - Rate of Capital gain Tax to be reduced proportionate to increase in the valuation table
 - Capital gain tax holding period for constructed property to be reduced from 4 years to 3 years
 - In order to bring down the cost of construction, sales tax and excise duties levied on construction material (such as cement) are proposed to be reduced
 - Sales tax at the time of sale of property will be levied at a fixed rate of Rs. 50/ square foot for builders and Rs. 100/ square yard for developers
 - Construction services will be exempted from sales tax, since sales tax will be levied at the time of sale of property. Punjab Revenue Authority [PRA] has already reduced sales tax on services to zero for construction services till 30 June 2020
 - Low cost housing by NAPHDA/provincial housing authorities will be completely exempted from sales tax;
 - Standard rate of 2% of valuation will be charged instead of Provincial and Municipal taxes/duties/fees/levies/charges on transfer /registration of urban properties;
 - GoP has approved the status of 'industry' for construction sector. A suitable amendment in the tax laws will entitle the sector to certain tax credits and reliefs provided therein for industrial undertakings.
 - Interest rate for Greenfield Projects is 7%. A lower interest rate (preferably 6%) is proposed for housing mortgage of one hundred thousand low cost housing units
- **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:
 - Rate of advance tax on the import of different food items was reduced to 0% from 2%;
 - 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
 - ACD (additional customs duty) @ 2% on soya bean oil, canola oil, palm oil and sunflower oil (also on oil seeds) has also been exempted



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Fiscal and Monetary Measures</p> <ul style="list-style-type: none"> — 04 April 2020 The Securities and Exchange Commission of Pakistan (SECP) on Wednesday allowed all lending Non-Bank Finance Companies (NBFCs) including Non-Bank Microfinance Companies (NBMFCs) to defer repayment of principal loans by their borrowers for one year, under the present circumstances owing to the outbreak of COVID-19 (coronavirus) pandemic. — 01 April 2020 The federal cabinet approved launching domestic Sukuk bond for generating Rs700 billion for financing the escalating budget deficit and meeting the increasing financial requirements for combating COVID-19 — 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"> — 10 April 2020 the government has taken some major decisions, including approval of clinical trials of plasma therapy and locally made ventilators for treatment of critically ill patients and permission for manufacturing of sanitisers and production of Chloroquine, the medicine for malaria — 10 April 2020 The Central Licensing Board of the Drug Regulatory Authority of Pakistan (DRAP) has approved local manufacturing of Chloroquine phosphate active pharmaceutical ingredient (API)—a drug used in management of SARS-CoV 2 infected patients — 10 April 2020 The Economic Coordination Committee (ECC) of the Cabinet has approved the deferment of monthly and quarterly fuel adjustments in the electricity bills for power consumers for the next three months (till June 2020) under the government relief package — 10 April 2020 The Asian Development Bank (ADB) has repurposed \$50 million from Pakistan's National Disaster Risk Management Fund (NDRMF) to support the government of Pakistan's preventive and response efforts to fight the outbreak of the novel coronavirus (COVID-19) in the country. — 06 April 2020 Power Division has reportedly prepared power tariff freezing for three months aimed at minimising financial burden on the Coronavirus-hit consumers, estimated financial impact of which will be Rs 381 billion — 03 April 2020 The Government of Pakistan (GoP) announced a special incentive package for construction industry <ul style="list-style-type: none"> - Establishment of construction industry development board for development of construction industry - Complete amnesty has been proposed and no questions will be asked about the source of investment made till 30 June 2022 - Reduction of project approval time preferably to 45 days; — 01 April 2020 The chief commissioner of Islamabad Capital Territory banned the layoff of all kinds of workers in the region during the current coronavirus-induced lockdown and said all those workers would be paid salaries, remunerations and wages in full by their respective employers during the period.



Other measures and sources (continued)

- **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 the International Monetary Fund (IMF) to seek additional \$1.4 billion fast-track and upfront payment package to fight of Corona Virus

Main sources of information

- **Ministry of Finance:** http://www.finance.gov.pk/press_releases.html
- **State Bank of Pakistan:** <http://www.sbp.org.pk/corona.asp>

**CONTACTS:****Tax:** Andrew James Gerard Ruiz - adruiz@kpmg.com**Restructuring:** Michael Arcatomy Guarin - mguarin@kpmg.com**Legal:** Maria Victoria Beltran - mrbeltran@kpmg.com**As of 22 April 2020****Tax measures – Direct and Indirect***(e.g. payment deferrals, rate reductions...)*

- As of 07 April 2020, the Office of the President of the Republic of the Philippines has issued a memorandum extending the period of the enhanced community quarantine (ECQ) to 30 April 2020. Previously the ECQ would have ended by 12 April 2020.
- RA No. 11469, the “Bayanihan to Heal as One Act” or the Bayanihan Act, effective from 25 March 2020 to 25 June 2020, is the basis for all subsequent government actions (as mentioned in the next slide).
- The following issuances by the Philippine Department of Finance (DOF) and the Bureau of Internal Revenue (BIR), as the national tax authority under the direct control and supervision of the DOF were released to address the deadlines for tax filings/payments/ submissions in relation to the extension of the ECQ. Hence, the latest issuances may supersede or amend the previously reported issuances in the next slides.
 - Revenue Regulations (RR) No. 09-2020 (approved 06 April 2020, effective from 16 March 2020 to 25 June 2020), provides full deductibility against the gross income of the donor-Corporation/donor-individual for the following donations/gifts, when given for the sole and exclusive purpose of combatting COVID-19 during the period of the state of national emergency under RA No. 11469:
 - Cash donations
 - Donations of all critical or needed healthcare equipment or supplies
 - Relief goods such as, but not limited to, food packs (rice, canned goods, noodles, etc.) and water
 - Use of property, whether real or personal (shuttle service, use of lots/buildings)
 - To be entitled to full deductibility, the donations shall be made to any of the following donees:
 - National Government or any entity created by any of its agencies (including public hospitals) which is not conducted for profit, or to any political subdivision of the said Government, including fully-owned government corporations
 - Accredited non-stock, non-profit educational and/or charitable, religious, cultural or social welfare corporation, institution, foundation, non-government organization, trust or philanthropic organization and/or research institution or organization

The said RR provides for further conditions and requirements for full deductibility of said donations.

- Revenue Memorandum Circular (RMC) No. 38-2020, 08 April 2020, extends the deadline of the availment of tax amnesty on delinquencies under RR no. 4-2019, as amended by RR no. 5-2020 in relation to RMC No. 33-2020 from 23 May 2020 to 08 June 2020.
- RMC No. 39-2020, 08 April 2020, extends the due dates further for the submission and/or filing of certain documents and/or returns as well as payment of certain taxes under RR No. 07-2020. With the extension of ECQ to 30 April 2020, the extended due dates enumerated in Section 2 of RR No. 07-2020 are further extended for a period of 15 calendar days, except those where the extended due dates granted are reckoned from the lifting of the state of emergency (ECQ).
- The filing and submission of BIR Form 2551Q (Quarterly Percentage Tax Return), which was originally due on 25 April 2020, is extended to 25 May 2020.

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

- To address the pandemic caused by the Coronavirus disease 2019 (COVID-19), the Philippine Government enacted into law republic act (RA) no. 11469 “an act declaring the existence of a national emergency arising from the coronavirus disease 2019 (covid-19) situation and a national policy in connection therewith, and authorizing the president of the republic of the philippines for a limited period and subject to restrictions to exercise powers necessary and proper to carry out the declared national policy and for other purposes. This law, otherwise known as “Bayanihan to Heal as One Act” or the Bayanihan Act, is effective from 25 March 2020 to 25 June 2020, and is the basis for all subsequent government actions.
 - Concurrent with the Bayanihan Act, Presidential Proclamation No. 929, effective 17 March 2020, imposed an enhanced community quarantine (ECQ) over the entire island of Luzon (where the capital and the major business centers are located) for the period from 17 March 2020 to 12 April 2020.
 - The following are the salient provisions related to tax measures of the Bayanihan Act:
 - Declaration of a state of national emergency over the entire country
 - Allow the President to adopt the following emergency measures (among others):
 - Liberalize the grant of incentives for the manufacture or importation of critical or needed equipment or supplies for the carrying-out of the policy declared herein, including healthcare equipment and supplies: Provided, that importation of these equipment and supplies shall be exempt from import duties, taxes, and other fees;
 - Move statutory deadlines and timelines for the filing and submission of any document, the payment of taxes, fees, and other charges required by law, and the grant of any benefit, in order to ease the burden on individuals under Community Quarantine;
 - Direct all banks, quasi-banks, financing companies, lending companies, and other financial institutions, public and private, including the Government Service Insurance System, Social Security System and Pag-ibig Fund, to implement a minimum of a thirty (30)-day grace period for the payment of all loans including but not limited to salary, personal, housing, and motor vehicle loans, as well as credit card payments, falling due within the period of the ECQ without incurring interests, penalties, fees or other charges. Persons with multiple loans shall likewise be given the minimum thirty (30)-day grace period for every loan.
 - Pursuant to the Bayanihan Act, the Philippine Department of Finance (DOF) has issued Implementing Rules and Regulations (IRR) dated 01 April 2020. Specific to tax emergency measures, the IRR state that no documentary stamp tax (DST) will be imposed on the borrowers whose loan(s) with principal and/or interest fall due within the ECQ Period, since said borrowers shall be entitled to a 30-day grace period without incurring interest on interest, penalties, fees and other charges. Further, no DST will be imposed on credit extension and credit restructuring, micro-lending including those obtained from pawnshops and extensions thereof during the ECQ Period.
- The Bureau of Internal Revenue (BIR), as the national tax authority under the direct control and supervision of the DOF, has released the following major issuances to implement the Bayanihan Act:
- RR No. 08-2020 (approved 01 April 2020), providing for the grant of exemption from DST, including DST imposed under Sections 179, 195 and 198 of the Tax Code, on credit extensions and credit restructuring, micro-lending including those obtained from pawnshops and extensions thereof during the ECQ Period.
 - RR No. 07-2020 (approved 30 March 2020, effective immediately), moves the statutory deadline for filing various tax returns by thirty (30) days, if the deadlines are within certain dates, primarily within the period of emergency beginning 16 March 2020. Specifically, the deadline to file 2019 annual income tax returns (AITRs) for all taxpayers is moved from 15 April 2020 to 15 May 2020, without the imposition of penalties. The required attachments to the 2019 AITRs may be submitted on or before 01 June 2020.
 - Revenue Regulations (RR) No. 06-2020 (approved 30 March 2020, effective immediately):
 - Exempts the importation of critical or needed healthcare equipment or supplies intended to combat the COVID-19 public health emergency from the value-added tax (VAT), excise taxes (if applicable), and other fees.
 - Exempts the importation of materials needed to make health equipment and supplies deemed as critical or needed to address the current public health emergency from the VAT, excise tax (if applicable) and other fees, provided that the importing manufacturer is included in the Master List of the Department of Trade and Industry (DTI) and other incentive granting bodies.
 - Exempts the importations above from the need to secure an authority to release imported goods (ATRIG) as issued by the BIR.
 - Exempts the donations of the above imported goods from donor's tax, if the donations are made to, or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government.



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

- Revenue Memorandum Circular (RMC) No. 34-2020 (approved 30 March 2020, effective immediately), which suspends the running of the statute of limitations for the BIR to issue deficiency tax assessments and collection notices. The BIR is effectively given an extension of five (5) months from 24 August 2020 within which to issue deficiency tax assessments and collection notices for taxable years that would have otherwise been barred from being assessed and collected from 16 March 2020 to 24 August 2020.
- BIR Advisory dated 30 March 2020, advising taxpayers to disregard the penalties computed by the electronic Filing and Payment System (eFPS) and pay only the basic tax due, provided that the payment shall be made on or before the extended deadline that is on 15 May 2020.

The Bureau of Customs (BoC), likewise under the direct control and supervision of the DOF, has issued Customs Administrative Order (CAO) No. 07-2020, which exempts the importation of critical health equipment and supplies from customs duties and taxes, for the period from 25 March 2020 to 25 June 2020

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

- Department Order No. 209 – Providing Guidelines on the Adjustment Measures Program For the Affected Workers due to Corona Virus. Under DAO 209, 5K was granted to affected workers who will not be able to receive their regular wage due to the implementation of the Enhanced Community Lockdown (ECQ) and the implementation of flexible work arrangement. Affected employees also included those whose leave credits will not suffice to cover the ECQ period and those in the informal sector.
- Labor Advisory No. 09-20 -Providing Guidelines on the Implementation of Flexible Work Arrangement As Remedial Measure due to the Ongoing Outbreak of Corona Virus 2019 (COVID-19) issued on 4 March 2020. The said Labor Advisory provided the different work arrangement the employer may adopt for its employees while the country is observing the ECQ, which include among others, WFH, Work Rotation, availment of force leave utilizing existing leave credits, if any.
- Labor Advisory No. 11-20 Supplemental Guidelines Relative to the Remedial Measure in view of the Ongoing Outbreak of Corona Virus Disease 2019 (COVID-19) issued 16 March 2020. The said Labor Advisory provided additional guidelines and remedial measures to be adopted to ensure the observance of ECQ. It further clarified that manufacturing, retail and service establishments shall remain in operation during the quarantine period observing social distancing. The same rule applies for those in the healthcare industry and in logistics establishment to ensure delivery of food, raw materials and other goods to ensure supply is unhampered.
- Labor Advisory No. 12 Series of 2020 – Clarificatory Guidelines on COVID-19 Adjustment Measures Program (CAMP) 19 March 2020. The Labor Advisory provided guidelines and procedure on how the 5K grant under CAMP shall be filed in DOLE by providing the Establishment Report to be submitted online for processing and release of the grant.
- Labor Advisory No. 13 Series of 2020 – Payment of Wages for Regular Holidays on April 9, And 10, 2020 and Special Holiday on April 11, 2020. Issued March 30, 2020. The advisory provided the rates to be applied in the computation of wages for regular and Special holidays.
- Labor Advisory No. 13-A Series of 2020 – Deferment of Payment of Holiday Pay for the April 2020 holidays. April 1, 2020. The Labor Advisory clarified that the employers shall have the option to defer the payment of holiday pay to be earned for the month of April 2020 until after the ECQ and the normal operations of the establishment is in place.
- Labor Advisory No. 14 Series of 2020 – Clarification on the Non-Inclusion of One-Month Enhanced Community Quarantine period on the six-month probationary period. April 1, 2020. The advisory issued a clarification on the non-inclusion of the ECQ period in the six-month probationary period prescribed under the Labor Code. It took into consideration the inability of the employer to assess the performance of the probationary employee given the quarantine.

**Economic stimulus measures***(e.g. loans, moratorium on debt repayments...)***REPUBLIC ACT 11469 OR THE “BAYANIHAN TO HEAL AS ONE ACT” (the “Act”)**

The President has the power to adopt the following temporary emergency measures, among others, to respond to crisis brought by the pandemic:

- Provide an emergency subsidy to around eighteen (18) million low income households: Provided, That the subsidy shall amount to a minimum of Five thousand pesos (₱5,000.00) to a maximum of Eight thousand pesos (₱8,000.00) a month for two (2) months: Provided, further, That the subsidy shall be computed based on the prevailing regional minimum wage rates: Provided, finally, That the subsidy received from the current conditional cash transfer program and rice subsidy shall be taken into consideration in the computation of the emergency subsidy as provided for in this Act.
- Ensure that donation, acceptance and distribution of health products intended to address the COVID-19 public health emergency are not unnecessarily delayed and that health products for donation duly certified by the regulatory agency or their accredited third party from countries with established regulation shall automatically be cleared: Provided, That this shall not apply to health products which do not require a certification or clearance from Food and Drug Administration (FDA).
- Ensure the availability of credit to the productive sectors of the economy especially in the countryside through measures such as, but not limited to, lowering the effective lending rates of interest and reserve requirements of lending institutions.
- Liberalize the grant of incentives for the manufacture or importation of critical or needed equipment or supplies for the carrying-out of the policy declared herein, including healthcare equipment and supplies: Provided, That importation of these equipment and supplies shall be exempt from import duties, taxes and other fees.
- Ensure the availability of essential goods, in particular food and medicine, by adopting measures as may reasonably be necessary to facilitate and/or minimize disruption to the supply chain, especially for basic commodities and services to the maximum extent possible.
- Continue to authorize alternative working arrangements for employees and workers in the Executive Branch, and whenever it becomes necessary, in other independent branches of government and constitutional bodies, and the private sector.
- Conserve and regulate the distribution and use of power, fuel, energy and water, and ensure adequate supply of the same.
- Notwithstanding any law to the contrary, direct the discontinuance of appropriated programs, projects or activities (P/A/P) of any agency of the Executive Department, including government-owned or -controlled corporations (GOCCs), in the FYs 2019 and 2020 General Appropriations Act (GAA), whether released or unreleased, the allotments for which remain unobligated, and utilize the savings generated therefrom to augment the allocation for any item directly related to support operations and response measures, which are necessary or beneficial in order to address the COVID-19 emergency, consistent with the herein declared national policy. (w) Any unutilized or unreleased balance in a special purpose fund, as of the date of declaration of a State of Emergency, shall be considered to have their purpose abandoned for the duration of the State of Emergency. All such unspent, unutilized or unreleased money or funds sourced from collections or receipts, including future collections and receipts, shall be utilized and are hereby appropriated for such measures to address the COVID-19 situation and accomplish the declared national policy herein.
- Notwithstanding any law to the contrary, reprogram reallocate, and realign from savings on other items of appropriations in the FY 2020 GAA in the Executive Department, as may be necessary and beneficial to fund measures that address and respond to the COVID-19 emergency, including social amelioration for affected communities, and the recovery of areas, sectors and industries severely affected. All amounts so reprogrammed, reallocated or realigned shall be deemed automatically appropriated for such measures to address the COVID-19 situation within the period specified under Section 9 hereof.
- Move statutory deadlines and timelines for the filing and submission of any document, the payment of taxes, fees, and other charges required by law, and the grant of any benefit, in order to ease the burden on individuals under Community Quarantine.
- Direct all banks, quasi-banks, financing companies, lending companies, and other financial institutions, public and private, including the Government Service Insurance System, Social Security System and Pag-ibig Fund, to implement a minimum of a thirty (30)-day grace period for the payment of all loans, including but not limited to salary, personal, housing, and motor vehicle loans, as well as credit card payments, falling due within the period of the enhanced Community Quarantine without incurring interests, penalties, fees or other charges, persons with multiple loans shall likewise be given the minimum thirty (30)-day grace period for every loan.
- Provide for a minimum of thirty (30)-day grace period on residential rents falling due within the period of the enhanced community quarantine, without incurring interests, penalties, fees, and other charges;



Economic stimulus measures

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

Department of Finance (DOF)

Implementing Rules and Regulations of Section 4(aa) of RA No. 11469.

- All covered institutions shall implement a 30-day grace period for all loans with principal and/or interest falling due within the ECQ period without incurring interest on interest, penalties, fees and other charges. This period shall automatically be extended if the ECQ period is likewise extended by the President.
- Non-application of interests, fees and charges are likewise applicable to future payments and/or amortization of individuals, households, micro, small and medium enterprises (MSMEs) and corporate borrowers.
- Covered institutions are prohibited from requiring their clients to waive the application of the Act. Any waiver previously executed shall be deemed invalid. For this purpose, no additional DST shall be imposed as a consequence of the relief so granted.

Bangko Sentral ng Pilipinas (BSP)

- Memorandum No. M-2020-017 - Implementing Rules and Regulations (IRR) of Section 4(aa) of Republic Act (R.A.) No. 11469, Otherwise Known as the "Bayanihan to Heal As One Act"
 - It mandates all covered institutions to implement a 30-day grace period to all loans with principal and/or interest falling due within the Enhanced Community Quarantine (ECQ) period, without incurring interest on interest, penalties, fees and other charges. The 30-day grace period shall apply to each loan of individuals and entities with multiple loans.
 - Covered institutions shall not charge or apply interest on interest, fees and charges during the 30-day grace period to future payments/amortizations of the borrowers. They are likewise prohibited from requiring their clients to waive the application of the provisions of the Act. No waiver previously executed by borrowers covering payments falling due during the ECQ period shall be valid.
 - The accrued interest for the 30-day grace period may be paid by the borrower on staggered basis over the remaining life of the loan. Nonetheless, this shall not preclude the borrower from paying the accrued interest in full on the new due date.

The initial 30-day grace period shall automatically be extended if the ECQ period is extended by the President of the Republic of the Philippines.

***Covered Institutions (for DOF and BSP)** shall mean all lenders, including but not limited to banks, quasi-banks, non-stock savings and loan associations, credit card issuers, pawnshops and other credit granting financial institutions under the supervision of the BSP, Sec, and Cooperative Development Authority, public or private, including GSIS, SSS and Pag-ibig Fund.

Commission on Audit – Government Procurement Policy Board (COA-GPPB) Joint Memorandum Circular No. 1 on Emergency procurement by the government during a state of public health emergency arising from the Covid-19

- To further support the government's efforts to mitigate, if not contain the transmission of COVID-19 in the country, the GPPB issued resolutions to simplify and streamline the Rules on Negotiated Procurement (Emergency Cases) modality, as an exemption to Public Bidding under RA No. 9184, and enable Procuring Entities to efficiently and expediently undertake procurement during a State of Public Health Emergency. During the State of Public Health Emergency declared by the President, Procuring Entities are allowed to resort to Negotiated Procurement (Emergency Cases) for the procurement of Goods, Infrastructure Projects and Consulting Services that are directly related to the mitigation and containment of the transmission of COVID-19, in order for Procuring Entities to properly and timely respond to this Public Health Emergency.

Securities and Exchange Commission (SEC)

- **Notice to Financing Companies (FCs) and Lending Companies (LCs).** SEC issued this notice directing all FCs and LCs to implement a minimum of a thirty (30)-day grace period for the payment of all loans, falling due within the period of the enhanced Community Quarantine without incurring interests, penalties, fees, or other charges.
- **SEC Memorandum Circular No. 5 on the EXTENSION OF FILING OF THE 201 ANNUAL REPORTS INCLUDING THE APPLICABLE QUARTERLY REPORTS FOR YEAR 2020 AND 2019 AUDITED FINANCIAL STATEMENTS (AFS).** The Commission grants the following affected companies an extension of time without penalty, within which to submit the Annual Reports and/or AFS for the period ended 31 December 2019: (i) For companies doing domestic operations only - an extension of time until 30 June 2020; and (ii) For companies with domestic and foreign operations - an extension of time until 30 June 2020 or 60 days from that date of lifting of travel restrictions/ban by the concerned government authorities, whichever comes later.

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

- SEC memorandum circular no. 6 guidelines on the attendance and participation of directors, trustees, stockholders, members, and other persons of corporations in regular and special meetings through teleconferencing, video conferencing and other remote or electronic means of communication. These guidelines provide corporations guidance in formulating their internal procedures and bylaws which will allow their directors, trustees, stockholders, members and other persons to participate and vote in meetings in absentia or through remote modes of communication as defined in these guidelines, pursuant to the revised corporation code. It also operationalize the objectives of republic act no. 8792, otherwise known as the electronic commerce act, to facilitate domestic and international dealings, transactions, arrangements, agreements through the utilization of electronic, optical and similar medium, mode, instrumentality and technology and to promote the universal use of electronic transaction.
- Sec memorandum circular no. 7 guidelines on preventive measures against covid-19 in the handling of records at the securities and exchange commission. This circular provides the preventive measures adopted by SEC with regard to (a) requesting for plain/authenticated copies of SEC documents and (b) filing/submission of reports and/or other documents to SEC given that all filings at the head office and satellite offices shall be temporarily suspended until further notice.
- Sec memorandum circular no. 9 on the guidelines for the filing of the general information sheet (GIS) during the covid-19 outbreak and ECQ. This circular provides guidance on the matters related to the filing and supposed contents of the GIS during the implementation of the ECQ.
- Sec memorandum circular no. 10 guidelines on submission by electronic mail of gis, afs, forms and documents required under existing laws, rules and regulations, and recognition of electronic signature. Pursuant to and in compliance with the guidelines on the ECQ, SEC will accept electronic copies of the GIS, AFS and all other general and special forms and letters subject to specific guidelines set forth in this circular. Such documents should contain an electronic signature as defined under the electronic commerce act of 2000. The commission shall thereafter require physical copies of required reportorial submissions according to established rules and regulations once the state of public health emergency has been lifted.
- Notice to investment companies, registered issuers of proprietary and non-proprietary shares/timeshares public companies, financing companies, lending companies, foundations, accredited microfinance ngos and publicly-listed companies under the supervision of corporate governance and finance department (cgfd). Sec suspends the daily and monthly monetary penalties (cumulative penalties), as may be applicable, imposable on investment companies, issuers of proprietary and non-proprietary shares/timeshares, public companies, lending companies, financing companies, foundations, accredited microfinance ngos and publicly-listed companies under the supervision of the cgfd (covered companies), from 13 march 2020, until the ecq period is lifted by order of the president.

Insurance commission (ic)

- Circular letter no. 2020-20 on the filing of 2019 annual statements (as) / 2019 audited financial statements (afs). This circular provides that ic will accept filing of regulated entities' 2019 as and/or 2019 afs (including their required attachments) until 01 june 2020 without imposing penalties for late submission

Inter-agency task force issuances

- A 30-day grace period has been extended to commercial rents falling due upon msme within the period of ecq without incurring interests, penalties, fess and other charges subject to the guidelines to be issued by the department of trade and industry.

**CONTACTS:****Tax & Legal:** Ajay Sanganerla – asanganerla@kpmg.com.sg**Restructuring:** Bob Yap – byap@kpmg.com.sg**As of 22 April 2020****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), worth a generous S\$48.4 billion on 26 March 2020 to support households, help workers stay employed and provide support for enterprises to emerge stronger when the economy recovers. 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. Subsequently, with the “circuit breaker” taking effect from 7 April 2020, the Government has announced on 6 April 2020, a third stimulus package worth S\$5.1 billion (known as the Solidarity Budget), targeted at cushioning the impact of the one-month long circuit breaker on the local workforce and livelihoods of our workers. Additionally, the Government passed a new wide-range bill on 7 April 2020 to provide additional assistance (via temporary relief) due to the COVID-19 outbreak.

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 (to read in conjunction with new bill detailed behind)

- 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 of up to the first S\$4,600 gross monthly salary for each local employee (applicable only to Singapore Citizens and Permanent Residents) for the months of October 2019 to December 2019, February to March 2020 and May 2020 to July 2020. The said cash grant has been enhanced to 75% for the month of April 2020 for all businesses.
- Instead of the aforementioned 25% cash grant, businesses in the Aviation and Tourism will receive 75% cash grant and businesses in Food services will receive 50% cash grant, for the months of October 2019 to December 2019, February to March 2020 and May 2020 to July 2020.
- The table below provides an overview of the support level for the various industries:

Cash Grant % of up to the first \$4,600 gross monthly salary per local employee	All industries (except Aviation, Tourism, Food Services)	Aviation and Tourism Services	Food Services
Oct 2019 to December 2019 February to March 2020 May to July 2020	25%	75%	50%
April 2020 only	75%		

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.

Foreign Worker Levy (FWL)

- The FWL for the month of April 2020 will be waived.
- Additionally, a FWL rebate of S\$750 (from levies paid in year 2020) will be granted for each work permit or S-pass holder, with payout accelerated to help businesses manage costs.

Sector-specific measures

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

Aviation

- 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.

Tourism

- 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.

Land Transport

- 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.

Maritime

- 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.

Arts & Culture

- 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 under the Adapt and Grow Initiative. 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.



Other measures and sources

Rental waivers

- 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 a month's rental waiver.

Enhanced SME Working Capital Loan

- 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 90% and SMEs may request for deferment of principal repayment for one year.
- Additionally, FIs may apply for low-cost funding through a new MAS Singapore Dollar facility, provided that the savings are passed on to the borrowers.

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 90% of the borrowing risk and enterprises may request for deferment of principal repayment for one year.
- FIs may similarly apply for low-cost funding through the new MAS Singapore Dollar facility.

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 90% of the borrowing risk.

Loan Insurance Scheme

- 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.

Deferment of principal payments on secured term loans

- SMEs can opt to defer principal payments on their secured term loans till end of year 2020.

No increase in Government fees and charges

- There will not be any increase in all Government related fees and charges for one year, from April 2020 to March 2021.

Medium and longer-term measures

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) 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.



Legal – COVID-19 (Temporary Measures) Bill effective 7 April 2020

Inability to perform contracts due to COVID-19

- Provided that a notification for relief has been served on the other party of the contract, the relief will be available where a party is unable to perform a scheduled contract due on or after 1 February 2020 (but not entered into or renewed on or after 25 March 2020, other than automatically), and that inability is due to a material extent caused by COVID-19 (assessors will be appointed to make a final determination in cases of dispute).
- Additional relief is made available for inability to perform event-contracts or tourism-related contracts, where the deposits shall not be forfeited, unless (i) the notification for relief is withdrawn or (ii) an assessor has made a determination that the forfeiture of the deposits (in part or whole) is just and equitable based on the circumstances of the case.

Higher Threshold for Bankruptcy and Insolvency Proceedings

- The Bill has introduced higher threshold for personal bankruptcy and corporate insolvency proceedings as follow:

Type	Changes involving	Before	Introduced
Bankruptcy applications for individuals	Debt quantum	S\$15,000	S\$60,000
	Period for a debtor to satisfy a creditor's statutory demand	21 days	6 months
	Unsuitability for debt repayment scheme	S\$100,000	S\$250,000
Winding up applications for companies (only applicable to applications after 7 April 2020)	Debt quantum	S\$10,000	S\$100,000
	Statutory demands	3 weeks	6 months

Conduct of Meetings

- Where personal attendance at any meetings is required by law or legal instrument, such as annual general meeting, board of directors' meeting, etc, an alternative arrangement such as electronic communication, video conferencing, tele-conferencing or other electronic means will be accepted, till such time this temporary measure is lifted.

Imposing obligations on property owners to pass on the PTR in full to tenants

- The new Bill imposes a duty on owners to transfer the benefit received from any reduction in property tax on any non-residential property from prescribed property tax remissions given in response to the Covid-19 pandemic ("benefit") to tenants of the property.
- The provisions would also allow tenants to take action against the landlord for failing to do so, and for landlords and tenants to bring disputes in relation to the transfer of the benefit before a Valuation Review Panel ("Panel"). Otherwise, an owner who, without reasonable excuse, fails to fulfil any one of the Obligations shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000.

Main sources of information

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

COVID-19 Temporary Measures Bill: [https://www.parliament.gov.sg/docs/default-source/default-document-library/covid-19-\(temporary-measures\)-bill-19-2020.pdf](https://www.parliament.gov.sg/docs/default-source/default-document-library/covid-19-(temporary-measures)-bill-19-2020.pdf)



General Information

The Department of Inland Revenue in April 2020 issued a release reflecting tax amendments to the New Inland Revenue Act, 24 of 2017. There are also tax relief measures in response to the coronavirus (COVID-19) pandemic.

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

Tax relief related to COVID-19

- Withholding tax, extension of payment deadline: The Inland Revenue Department announced that withholding agents and taxpayers subject to withholding who are liable to make tax payments for the month of February 2020 that were due 15 March 2020 and payments for the month of March 2020 that were due 15 April 2020 are allowed until 30 April 2020 to make these payments without being subject to interest or penalties.
- Stamp tax, extension of deadlines: Certain persons are permitted to file returns and make payments of stamp tax by 30 April 2020 (instead of 15 April 2020) for the quarter ending March 31, 2020, on or before April 15, 2020. Eligible persons include:
 - Any person issuing insurance policies
 - Any authority issuing licenses
 - Any service provider, on the presentation of a claim, demand or request for the payment of any money on the use of a credit card
 - Any employer employing more than 100 persons accepting receipts for payments made to the employees
 - Any other person issuing any other instrument of a category, having regard to the impracticability or inexpediency of stamping instruments of such category, at the time and in the manner prescribed
- Value added tax (VAT), extension of deadlines and validity periods: Payments of VAT for the months of February and March 2020 are extended to a new due date of 30 April 2020. A similar extension applies for VAT returns. Furthermore, the period of validity of the extension letters (scheduled to expire before 30 April 2020) issued with regard to credit vouchers due against the VAT deferred under deferment facility are extended by one month from the expiration date. The period for any temporary VAT registration scheduled to expire before 30 April 2020 has been extended until 30 April 2020.
- Extension of time, transfer pricing disclosure form: The period of time for submitting transfer pricing disclosure form is extended to 30 April 2020.



South Korea (1/2)

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As of 22 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%).



South Korea (2/2)

As of 22 April 2020

Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Customs Measures	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>Measures announced</p> <ul style="list-style-type: none"> — Delayed payment of duties/instalment payment — Suspension of Customs audits — Filing paperless duty drawback 	<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> <p>Ministry of SMEs and Start-ups: https://www.mss.go.kr/site/eng/main.do</p>

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As of 22 April 2020

Updated**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.

Extension of Corporate Income Tax and Individual Income Tax filing deadline for all taxpayers (Update on April 13, 2020)

On April 13, 2020, the Ministry of Finance (MOF) further announced that tax filing and payment deadlines for Corporate Income Tax (originally due on 01/05/2020 – 01/06/2020) and Individual Income Tax (originally due on 01/06/2020) to be extended to 30 June, 2020 without late payment interests and penalties – applicable for all taxpayers, no prior application required.



Updated

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

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.

Corporate income tax 200% deduction on certain salary expenses

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.

Applicable period

The Special Act is applicable from January 15, 2020 to June 30, 2021

Applicable expenditures

Salaries, wages, service pay and other regular compensations paid to employees during their statutory leave period falling under any one of the following reasons:

- 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.

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

Labor Market Support

Ministry of Labor recently has reviewed and expanded existing measures, and added more new labor market measures.

— Working hours lower

- Training program: Subsidy training program up to NTD\$18,960
- Employment plan: Subsidy salary up to NTD\$11,000
- Immediate work plan: Subsidy salary up to NTD\$ 12,640

— Jobless

- Unemployment benefits: 60% of average monthly insurance salary
- Tuition subsidy for unemployed children: Subsidy tuition high school up to NTD\$6,000/ university or college up to NTD\$24,000

— Corporate

- Subsidy for working environment improvement: Subsidy process safety and health equipment improvement up to NTD\$2 million
- Worker life balance: Subsidy caregivers hourly wages up to NTD\$200,000
- Defer labor insurance premium and pension payment: payment deferral without penalty
- Training program: Subsidy training program up to NTD\$3 million



Updated

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

Financial Relief

Three Ways to Help from Public Banks

1. Policy Lending Package: Support SMEs funding to operate business.
2. Loan Extension: Companies or individuals can apply to defer principal repayment or extend loan.
3. Credit card payment deferral: Individuals can apply to defer card payment without penalty and interest.

The measures of reducing interest rate from public banks

- **Residential Loan** (For all loans): 2020/4/01-2020/9/30, 0.5% lower within NTD\$10 million
- **Consuming Loan** (For all loans): 6 months since 2020/4/1, 0.75% lower within NTD\$10 million (including credit card, unsecured loan, car loan)

Rental concession/adjustment

- **Rent payment deferral for National property:** The users of national property who are affected by epidemic can defer rent payment until the end of 2020.
- **Rent/royalty payment deferral and extension of construction and operation in PPPIP:** The private institutions for promotion of private participation in infrastructure projects (PPPIP), which are impacted by epidemic can apply to defer rent/royalty payment or install payment, and extend the period of construction and operation.

Two funding packages from commercial banks

- NTD\$100 billion package (For all affected business)
 - NTD\$10 billion project
 - Bank lending NTD\$100 billion
 - LTV ratio 80%~100%
- Interest subsidy package (For affected SMEs only)
 - Extended loan
 - Business loan
 - Stimulus loan

The measures of commercial banks funding packages

	NTD\$100 billion	Interest subsidy	
	(Guarantee fee free)	Interest rate	Maturity
Extended Loan	Original Guarantee Percentage	0.81%	1 year
		Up to NTD\$220,000 (per application)	
Business loan (Salary & rent only) (NOT layoff)	Guarantee Percentage 100%	1.845%	6 months
		Up to NTD\$55,000 (per application)	
Stimulus loan	Guarantee Percentage 80%~90%	0.845%	1 year
		Up to NTD\$55,000 (per application)	



Updated

Customs Measures	Other measures and sources
<p>Ban on export of mask</p> <ul style="list-style-type: none"> Until April 30, 2020*, the exportation of mask products under CCC 66307.90.50.19-7 (Other masks, filtering efficiency 94% or more, of textile materials) and CCC 6307.90.50.29-5 (Other masks, of textile materials) are banned in Taiwan. <p>* Such ban may be further extended depending on the current COVID-19 situation in Taiwan.</p> <p>Export control on fever thermometers</p> <ul style="list-style-type: none"> From March 4 to March 31, 2020, the fever thermometers products under CCC 9025.19.90.10-1 (including infrared non-contact forehead temperature gun, contact forehead temperature gun, ear temperature gun, electronic thermometer, infrared temperature thermograph, etc.) could not be exported from Taiwan without the approval issued by the Taiwan Bureau of Foreign Trade of the Ministry of Economic Affairs. <p>Temporary adjustment rate on the importation of mask and undenatured alcohol concentration above 90%</p> <p>From February 27 to May 26, 2020, importation of mask and undenatured alcohol concentration above 90% could be subject to the temporary adjustment rates.</p> <ul style="list-style-type: none"> For the raw material of medicinal alcohol under CCC 2270.10.90.22-0 (Other undenatured ethyl alcohol of an alcoholic strength by volume exceeding 90% vol), the temporary adjustment rate 10% could be applied if the goods is used for the production of medicinal alcohol, and the approvals issued by the Ministry of Economy Affairs and Ministry of Health and Welfare are obtained. However, if the goods would be used for other purposes (e.g. for production of wine or industrial alcohol), the original duty rate of 20% should still be applied. The import duty rate of "textile materials production mask" under CCC 6307.90.50 mainly includes the N95 mask and general medical and surgical masks are temporarily adjusted from 7.5% to 0%. <p>*Please note that above-mentioned CCC code is the Standard Classification of Commodities code used in Taiwan for import declaration purpose. The first 6 digits of the CCC code are identical to the HS Code.</p>	<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>

**CONTACTS:****Tax:** John Andes – jandes@kpmg.co.th**Legal:** Kullakattimas Benjamas – benjamas@kpmg.co.th**As of 22 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

The Thai Revenue Department and the Department of Business Development announced relief measures for corporations in response to the coronavirus (COVID-19) pandemic. In particular, the measures focus on relieving the compliance burden for corporations by extending a number of deadlines including holding the annual meeting of shareholders, submission of the corporate income tax return and submission of audited financial statements



Updated

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

Social Security Contributions

- The Thai Ministry of Labor issued guidance with regard to social security relief measures in response to the coronavirus (COVID-19) pandemic. The relief measures include reduced rates for social security contributions and extension of time for submitting social security forms and for remitting social security contributions.
 - The social security contribution rates (both the employer portion and the employee portion) are reduced for a three-month salary cycle from March to May 2020.
 - The deadline for social security forms due for March 2020 is extended to 15 July 2020 (from 15 April 2020).
 - The deadline for April 2020 is extended to 15 August 2020 (from 15 May 2020).
 - The deadline for May 2020 is extended to 15 September 2020 (from 15 June 2020).

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%⁴
- 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)



Customs Measures

The Government has released the relief measures to aid individuals and business operators affected by the outbreak of COVID-19. The Ministry of Finance expects to release further guidelines and conditions relating to these measures. Below is the outline of measures relating to excise tax and customs.

Payment facilities

- The deadline for excise tax form filing and payment occurring during the period from 1 March 2020 to 31 May 2020 is extended to 15 July 2020 for operators of excisable entertainment businesses that are temporarily closed due to the COVID-19 outbreak. The excisable entertainment businesses that are subject to this relief measure include:
 - Night clubs, discotheques, pubs, bars, cocktail lounges, including places that sell food and alcoholic beverages with music or other entertainment performances; and
 - Bathhouses, spas, massage parlors, gambling places, such as racecourses, and golf courses.
- Deadline of excise payment is extended for petroleum and petroleum-related business operators from the 10th day to the 15th day of the month following the month that petroleum or petroleum products are brought out of the factory or bonded warehouse. The extension is applicable for excise tax liabilities occurring from 1 April 2020 to 30 June 2020.

Duty relief

- Tax relief measures for business operators
- Import duties on goods used for treatment, diagnosis or prevention of coronavirus infection (COVID-19) as per the list specified by the Ministry of Public Health will be exempt from the effective date of the Notification of the Ministry of Finance to 30 September 2020. The Notification is yet to be formally released.
- Jet fuel excise has been reduced from THB 4.726 per liter to THB 0.20 per liter for airlines operating domestic flights until 30 September 2020.



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>



General Information

The Ministry of Finance on 6 April 2020 announce certain tax relief measures in response to the coronavirus (COVID-19) pandemic.

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

The tax relief generally is aimed at small and medium size enterprises and individual entrepreneurs, and includes the following:

- Funds received by business entities in the form of interest-free financial assistance will not be subject to income tax.
- Annual audits of certain taxpayers are postponed.
- There is a moratorium on initiating or declaring bankruptcy by enterprises faced with financial difficulties.
- A planned increase in the rates of excise tax on gasoline, diesel fuel, and alcohol and alcohol products is canceled.
- The rate of customs duty and excise tax on “primary goods” (generally food products and hygiene products) is assigned zero percent (0%).

Other measures and sources

Main sources of information

- Uzbekistan: Tax relief measures (COVID-19):
<https://home.kpmg/us/en/home/insights/2020/04/tnf-uzbekistan-tax-relief-measures.html>

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As of 22 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.

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

Tax relief measures include extended due dates for taxpayers to pay value added tax (VAT), individual (personal) income tax, and the amounts owed for land rental if the taxpayers are considered “vulnerable” in light of the coronavirus (COVID-19) pandemic. In particular:

- **Extend the timeline for VAT payments:** Taxpayers will be granted a 5-month payment extension for nominated periods as follows:
 - Where taxpayers declare and pay VAT on a monthly basis: the 5 month extension of VAT payment deadline shall be applied for VAT payable of March, April, May and June of 2020.
 - Where taxpayers declare and pay VAT on a quarterly basis: the 5 month extension of VAT payment deadline shall be applied for VAT payable of Quarter I and Quarter II of 2020.
 - The above 5 month payment extension shall be applied from the day after VAT payment deadline
 - Taxpayers are still required to declare and submit tax returns by the statutory deadlines.
- **Extend the timeline for land rental payments:** Taxpayers will be granted a 5-month payment extension for nominated period as follows:
 - Extend the deadline of land rental payment for the first reporting period of 2020 of taxpayers who rent the land directly from the Government and pay land rental on an annual basis.
 - The extension of land rental payment shall be within 5 months from the statutory deadline and not later than 31 October 2020.
- **Extend the timeline for VAT and PIT payment of business individuals, group of business individuals and household**
 - Extend the PIT and VAT payment up to 15 December 2020 for business individuals, group of business individuals and household business individuals engaged in the aforementioned business sectors.
 - The proposed payment extension of VAT, PIT and land rental is not automatically applied. An application for tax payment extension must be submitted to the tax authorities before 31 May 2020 for consideration and approval on a case by case basis.
- **business individuals** In addition, other relief measures concern the suspension of social insurance contributions for a number of businesses affected by the COVID-19 pandemic.

Employment-related measures*(e.g. state compensation schemes, training...)***Suspension of social insurance payments**

- According to Directive 11/CT-TTg dated 4 March, 2020, the Prime Minister requested the Vietnam Social Insurance to assume the primary responsibility and coordinate with the concerned agencies in guiding the suspension of payment of social insurance for those who are affected by the Covid-19 epidemic until the end of June or December 2020 without interest charge for late payment. Vietnam Social Insurance is drafting an official ruling on this issue.



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Customs Measures	Other measures and sources
<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. <p>The Ministry of Finance ("MoF") recently composed two key draft Decrees to be tabled to the Prime Minister for consideration, including a draft decree to increase the cap of deductible interest expenses under Clause 3 Article 8 of Decree 20/2017/ND-CP and a draft decree on invoicing.</p> <p>Regarding deductible interest expenses According to the draft Decree,</p> <ul style="list-style-type: none"> the MoF has proposed to increase the interest deductibility cap from the current 20% to a proposed 30% of earnings before interest, tax, depreciation and amortization ("EBITDA"). The draft Decree also clarifies that interest expense subject to this proposed new 30% EBITDA cap is a net interest amount. That is to say, interest expenses can now be offset against interest income. Furthermore, capitalized interest is not included within the meaning of interest that is subject to this cap. Regrettably, un-deducted interest cannot be carried forward and used in future years. The cap shall not be applied to credit institutions incorporated under the Law on Credit Institutions, insurance companies incorporated under the Law on Insurance Trading, security companies incorporated under Law on Securities, loans under Official Development Assistance programs, the Government's concessional loans whereby the Government acquires foreign loans to re-lend to enterprises. It is expected that the proposal be approved soon by the Prime Minister and to be applied for the 2019 financial year. <p>Regarding e-invoicing</p> <ul style="list-style-type: none"> According to the draft Decree, the proposed deadline for implementation of compulsory e-invoicing will be extended to 1 July 2022 (from the current deadline of 1 November 2020). This is in line with the new Law on Tax Administration 2019. 	<p>Export of mask</p> <ul style="list-style-type: none"> Some restrictions on exportation of masks have been implemented. <p>Other measures</p> <ul style="list-style-type: none"> Authorities are considering a wide range of COVID-19 support measures, including reductions of customs duty and customs audits but such measures are not officially announced 	<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 Vietnam: Tax relief measures (COVID-19): https://home.kpmg/us/en/home/insights/2020/04/tnf-vietnam-tax-relief-measures.html



North America and Caribbean

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**CONTACTS:****Tax:** Louisa Ward – louisaward@kpmg.bb**As of 22 April 2020****Tax measures – Direct and Indirect***(e.g. payment deferrals, rate reductions...)***Filing/Payment Deadline Extension and Tax payment relief**

- The unincorporated business tax deadline (March 31) has been extended to April 15, 2020. However unincorporated businesses with last names from A-J are asked to file and pay from April 1-7 2020. Unincorporated businesses with last names starting from K-Z are asked to file and pay from April 8-15, 2020.
- However, the March 31, 2020 corporation tax filing deadline was not extended. The corporate income tax filing deadline remains three months after the fiscal year end.
- No payment relief measures have been put in place to date.

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As of 22 April 2020

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

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.

2020 Corporate tax rates (non insurance)

\$0 - \$1 million	5.5%
\$1 - \$20 million	3.0%
\$20 - \$30 million	2.5%
Over \$30 million	1.0%

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.

Filing/Payment Deadline Extension and Tax payment relief

- The personal income tax deadline remains April 30, 2020.
- The corporate income tax deadline for company's with a fiscal year-end between October 1 and Dec 31, 2019 has not been extended and remains June 15, 2020.
- No payment relief measures have been put in place to date.

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

- 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:
 - 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.
- **Financing** - Banks to offer up to 6-month moratorium on loan and mortgage payments and Temporary working-capital financing options for corporations and small businesses directly impacted by COVID-19.
- **Social Security Deferral** – Deferral of employer's contributions to the NIS for employers retaining more than 2/3 of staff complement; Government will provide supplemental support to the NIS Unemployment Fund as needed and within the context of available fiscal space; Laid off workers to receive benefits for 6 months and those on short weeks to receive 60% for the days they are not working .
- **Welfare Support** – Government, through the welfare department, to provide minimum income of an amount up to USD300 per month to households where no person is left employed as a result of COVID-19;
- **Adopt-a-Family Program** – Government working with persons earning more than USD50,000 per year to adopt a vulnerable family and provide them with USD300 per month or contribute to an Adopt-a-family fund chaired by the Director of Finance;
- **Household Survival Program** –Implement a Household Survival Program (injecting USD10 million) consisting of three initiatives to assist displaced workers. Those being laid off are entitled to unemployment benefits.
- **Infrastructure** - The Government also aims to boost priority capital spending help to mitigate the effects of COVID-19 on the economy. This includes infrastructure investment to renovate healthcare facilities, schools, government buildings, and a key industrial complex.



Employment-related measures (e.g. state compensation schemes, training...)	Other measures and sources
<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"> — 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.

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As of 22 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
<ul style="list-style-type: none"> Bermuda's tax authority extended the reporting deadline for the common reporting standard (CRS) to 15 July 2020 for the reporting period ended 31 December 2019. The extended deadline is made in response to the coronavirus (COVID-19) pandemic. In addition, the Bermuda Ministry of Finance has postponed the deadline for submitting country-by-country (CbC) reports in response to the coronavirus (COVID-19) pandemic. 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. On 18 March 2020, the Bermuda Monetary Authority (BMA) issued a COVID-19 notice noting (among others): <ul style="list-style-type: none"> A one-month extension to the insurance annual statutory filings deadline That it would not enforce the requirement of Bermuda-registered companies to hold physical Board Meetings in Bermuda in the first half of 2020 	<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

**CONTACTS:****Tax:** Marlene Cepparo – mcepparo@kpmg.ca**Restructuring:** AnamiKa Gadia – agadia@kpmg.ca**Legal:** Anna Balinsky – abalinsky@kpmg.ca**As of 22 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.

The Federal Government has thus far announced a stimulus package of more than \$107B to help stabilize the economy and support Canadians during this difficult time.

Total measures from federal funding, equivalent to more than 3.5% of Canada's GDP, include \$52B in direct support for individuals and businesses (e.g., \$2,000/month for individuals impacted by COVID-19 who do not qualify for Employment Insurance) and \$55B in tax deferrals.

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. Additionally, GST/HST and customs duties owing on imports will be deferred until June 30, 2020,

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

On April 2, 2020, Saskatchewan updated and reposted its provincial sales tax (PST) relief measures for businesses. These measures are intended to support Saskatchewan businesses that are unable to submit their PST returns due to cash flow concerns related to COVID-19. The province made the following clarifications in its information notice, "Notice to Businesses Regarding Penalty and Interest on Late Returns due to COVID-19":

- Those who are able must file their tax returns each month/quarter (with or without payment)
- Monthly filers may defer payment of amounts due for February, March and April 2020 reporting periods to July 31, 2020
- Quarterly filers may defer payment of amounts due for the January 1, 2020 to March 31, 2020 reporting period to July 31, 2020
- Businesses are not required to submit a request for relief from penalty and interest charges for these returns.

Qualifying for automatic PST deferral

The notice stipulates that to qualify for the automatic PST deferral and waiver of penalties and interest, businesses must make full PST payments or have a payment arrangement in place by July 31, 2020. Taxpayers may request payment arrangements by submitting a request electronically through the Saskatchewan eTax Services (SETS) located at sets.saskatchewan.ca, or through email at sasktaxinfo@gov.sk.ca.

Suspension of audit and compliance activity

The notice also states that audit program and compliance activities have been suspended.

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...)

Quebec (continued)

Flexibility for businesses filing taxes

- 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.

Flexibility for tax-filing trusts and information-filing partnerships

- 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.

Flexibility for Businesses Filing Tax Returns

- 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.

Newfoundland and Labrador

- Newfoundland and Labrador announced the tax return filing deadlines are extended for various provincial taxes as relief measures in response to the coronavirus (COVID-19) pandemic.
- In an April 2020 release, officials announced that Newfoundland and Labrador will extend tax return filing deadlines until 23 June 2020 (for returns originally due on or between 20 March 2020 and 31 May 2020). As a result, monthly filers may delay their filing and remittance of such taxes owed for the February, March, and April 2020 reporting periods to 23 June 2020.

- The extended deadline applies for several provincial taxes, including:

- Gasoline tax
- Carbon tax
- Health and post-secondary education tax
- Insurance companies tax
- Mining and mineral rights tax
- Tax on insurance premiums
- Tobacco tax

- Newfoundland and Labrador is extending the tax filing and payment deadline for international fuel tax agreement returns from interjurisdictional carriers regarding their first quarter of 2020, to 1 June 2020 (from 30 April 2020).

- Taxpayers may submit a written request for abatement of interest and penalties if they are prevented from making a payment when due, filing a return on time, or otherwise complying with a tax obligation, as a result of COVID-19. All requests will be reviewed on a case-by-case basis.

British Columbia

British Columbia recently announced its coronavirus (COVID-19) response plan that includes, among other changes:

- Measures to extend deadlines for some taxes until 30 September 2020
- Delay of certain tax proposals announced in the 2020 provincial budget, as well as its scheduled carbon tax increase

In addition, the response plan includes financial support measures. British Columbia said that it would provide additional details on these changes soon.

Manitoba

- Some businesses in Manitoba will have more time to meet filing and payment deadlines for the Manitoba retail sales tax and the deadlines for the health and post-secondary education tax levy in response to the coronavirus (COVID-19) pandemic. The province announced filing extensions for eligible small and medium businesses for payments to be made in June 2020.

Alberta

The Alberta government has extended the due date for the Alberta corporate income tax return (AT1) to 1 June 2020 for all returns originally due after 18 March 2020 and before 1 June 2020. This relief effectively harmonizes Alberta's filing deadline with Canada's recently announced federal filing extension for T2 corporate income tax returns.



Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)
<p>City of Calgary</p> <p>Business improvement area late payments cancelled until June 30</p> <p>City Council approved the cancellation of any Business Improvement Area (BIA) Tax penalties between April 1 and June 30. This means that any business that has not already paid their BIA tax has until June 30, 2020 to pay a penalty free. A penalty of 7% would apply to taxes outstanding as of July 1, 2020</p> <p>Ontario</p> <p>Ontario's Finance Minister on 25 March 2020 delivered the province's 2020 economic and fiscal update in response to the coronavirus (COVID-19) pandemic. This update comes in the wake of Ontario's decision to postpone the release of its full 2020 provincial budget due to the COVID-19 outbreak.</p> <p>The economic and fiscal update does not adjust corporate or individual (personal) tax rates. However, it makes several changes to accommodate for the economic situation resulting from COVID-19. Among other measures, the update:</p> <ul style="list-style-type: none"> Introduces a new 10% refundable corporate tax credit Announces five months of relief from penalties and interest for Ontario businesses that miss any filing or remittance deadlines for certain provincial taxes Indicates the province intends to deliver a multi-year Ontario budget no later than 15 November 2020 \$10B on people/business via deferrals to improve cash flow, protect jobs, and household budgets, including: (i) \$6B in deferred business taxes; (ii) OSAP student loan payment moratorium (6-months); (iii) Postponing various other taxes, fees, premiums (5-months); (iv) \$1.9B in WSIB premium deferrals (6-months) 	<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%. Businesses which can demonstrate a decline in revenue of more than 30% (details pending) may be eligible for a subsidy of up to 75% on wages up to \$58,700 per employee. This measure is the equivalent of providing up to \$30 billion in interest-free loans to Canadian businesses. It will help businesses so they can continue to pay their employees and their bills, and help ease cash-flow challenges across the country. Launch the new Canada Emergency Business Account. This program will provide up to \$25 billion to eligible financial institutions so they can provide interest-free loans to small businesses. These loans – guaranteed and funded by the Government of Canada – will ensure that small businesses have access to the capital they need, at a zero per cent interest rate, so they can pay for rent and other important costs over the next number of months Launch the new Small and Medium-sized Enterprise Loan and Guarantee program that will enable up to \$40 billion in lending, supported through Export Development Canada and Business Development Bank, for guaranteed loans when small businesses go to their financial institutions to help weather the impacts of COVID-19. <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).



Employment-related measures (continued)

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

Work-Sharing program (continued)

- 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.

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.

Federal and provincial governments have announced a wide array of programs which aim to support Canadians who have been impacted by the COVID-19 crisis. Some of the most significant programs include:

- Canada Emergency Response Benefit: \$2,000 per month benefit (up to 4 months) for workers who must stop working due to COVID-19 due to unemployment, sickness, childcare and those ineligible for EI.

Canada Child Benefit: Providing an extra \$300 per child to the Canada Child Benefit (CCB) for 2019-2020.

- Credit and financial market liquidity support: \$530B support from financial institutions, Canada Mortgage &

Housing Corporation (CMHC), Office of Superintendent of Financial Institutions (OSFI) and Farm Credit Canada to

provide relief for homeowners, renters, and farmers.

- Tax filing extensions: Individuals filing taxes for the 2019 tax year will now be required to do so by June 1, 2020. The Canada Revenue Agency (CRA) will also allow any new income tax balances due or instalments to be deferred until after August 21, 2020 without incurring interest or penalties.



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.
- The program is offered by the Government of Québec, in partnership with the Red Cross. The applications started on March 19, 2020.

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

**Employment-related measures***(e.g. state compensation schemes, training...)***British Columbia:**

- \$1,000 payment (tax free benefit) to British Columbians whose employment is affected by pandemic
- A one-time enhancement to the climate action tax credit will be paid in July 2020 for moderate to low-income families
- Employers must excuse workers for sickness without requiring a doctor's note
- Defers to 'Employment Standards' on taking unexpected time off work & "WorkSafeBC" resources for workers
- Employees can take unpaid, job-protected leave due to covid-19
- Some provincial taxes have been deferred, delayed or reduced
- Overall funding:
 - \$2.8B will go to individuals
 - \$2.2B will go to small business

Alberta

- Emergency isolation support
- The Government of Alberta recently announced \$50 million in financial support for self-isolating Albertans with no other source of income. These temporary funds are part of government's COVID-19 response to keep Albertans safe during this unprecedented global health crisis.
- Working Alberta adults who have experienced total or significant loss of income as a result of having to self-isolate or care for a dependent who is self-isolating can apply for emergency isolation support payments if: (i) They have been diagnosed with COVID-19. (ii) They are caring for a dependent who is self-isolating. (iii) They have otherwise been directed by health authorities to self-isolate. (iv) They are not receiving compensation from any other source.
- \$50 million for Albertans in self-isolation due to COVID-19 not receiving Employment Insurance payments; will qualify for a cash payment of \$1146 for two weeks (or \$573 per week), meant to bridge the gap between now and federal aid payments, which are expected to begin in April.
- Job-protected leave:
 - Changes to the Employment Standards Code will allow full and part-time employees to take 14 days of job-protected leave if they are: (i) required to self-isolate (ii) caring for a child or dependent adult that is required to self-isolate (iii) This leave covers the 14-day self-isolation period recommended by Alberta's chief medical officer. This leave may be extended if the advice of the chief medical officer changes.

Saskatchewan

In addition to changes made to changes to The Saskatchewan Employment Act that introduced a new unpaid public health emergency leave and removed the 13-week employment requirement to access sick leave and the requirement for a doctor's note to access sick leave, The Employment Standard Regulations have been amended to:

- Ensure that during a public emergency, businesses will not have to provide notice or pay in lieu of notice when they lay-off staff if it is for a period of 12 weeks or less in a 16-week period.
- And if an employer lays off employees periodically for a total of more than 12 weeks in a 16-week period, the employees are considered to be terminated and are entitled to pay instead of notice as outlined in the Act. This will be calculated from the date on which the employee was laid off.
- These amendments create a balance for employers and employees where the difficult decision may be made to lay-off employees due to public health emergencies. In this circumstance, employees would have immediate access to new federal employment insurance programs, while keeping employers financially stable to ensure employees have a job to return to.

Ontario:

- The Ontario Government is enabling \$1.9 billion in relief for employers to reduce the financial strain on business brought on by COVID-19. The measure, which will run through the Workplace Safety and Insurance Board (WSIB), will see premium payments deferred for six months for all businesses in the province.
- The relief program is part of a \$17 billion package included in Ontario's Action Plan: Responding to COVID-19.
- \$100M via Employment Ontario for those that lost their jobs (skills training)
- Ontario is investing up to \$304 million to enhance the province's response to COVID-19 by providing the following:
- \$50 million to further protect frontline workers, first responders and patients by increasing the supply of personal protective equipment and other critical supplies and equipment to protect them.
- \$25 million to support frontline workers working in COVID-19 assessment centres, including the creation of a new fund to provide respite care, child care services and other supports as they are needed.



Employment-related measures

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

New Brunswick Government

Job protection for workers:

- Legislative and regulatory amendments will be introduced to provide job protection for workers who must take a leave of absence due to COVID-19. It will allow an unpaid leave of up to 15 weeks to New Brunswickers who have COVID-19 or are caring for someone with the virus.
- To support the province's economy, keep workers employed, and help businesses continue to operate, a total of \$50 million in assistance is being made available.

Income support for workers announced

- Announced earlier this week, this will be a \$4.5 million investment for workers who have recently become unemployed. The benefit will help to bridge the gap between when a person lost their job or closed their business after March 15, to when the national benefit takes effect. The objective will be to provide access to the benefit before the end of March. The benefit will end on April 30.

General funding update

- The provincial government will provide a one-time income benefit to either workers or self-employed people in New Brunswick who have lost their job due to the state of emergency. This one-time \$900 benefit will be administered through the Red Cross and will help to bridge the time between when people lose their employment or close their business and to when they receive their federal benefit. Further details on how to apply will follow in coming days.

Prince Edward Island Government

Contingency fund used as of March 27

- Emergency Income Relief Fund for the self-employed - 500 applications approved (\$500,000)
- Emergency Relief Worker Assistance Program for employers to provide temporary financial support to their employees who have experienced a significant reduction in their hours of work. 92 applications approved for 500 workers (\$113,750)
- Employee Gift Card Program to support employees who have been laid off. 768 applications received for 3,827 total gift cards (\$382,700)

City of Calgary

Supporting business and local operators

- The City of Calgary working with City Councillors, partners and business stakeholders from various industries has created a Business Sector Support Taskforce to monitor, evaluate and manage sustainability and wellness throughout the business community as we weather the COVID-19 storm together. Recently (March 20), the taskforce launched an online resource for businesses to serve as a centralized hub of information to support the business community during these challenging times



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 \$12.5 billion of additional support, largely targeted for oil and gas, air transport, and tourism 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).



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).

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 allow payment deferral, loan re-amortization & special payment arrangements. Office of Superintendent of Financial Institutions (OSFI) immediately lowering Domestic Stability Buffer by 1.25% of risk-weighted assets allowing banks to inject \$300B into economy.

Insurance of mortgage pools through CMHC up to \$50B. Farm Credit Canada will receive an additional \$5B in lending capacity to producers, agribusiness, and food processors. Eligible farmers who have an outstanding Advance Payments Program (APP) loan will also receive a Stay of Default (6-month moratorium). Applicable farmers who have existing interest-free loans outstanding will have opportunity to apply for additional \$100K portion for 2020-2021 (if advances remain under \$1M cap).

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.



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

Partnership with Canadian industries to fight COVID-19 (\$2 billion):

Canadian businesses and manufacturers are stepping up to fight the COVID-19 pandemic. The Government of Canada is working with these companies to ensure our health care workers have the tools they need to care for Canadians across the country. The Federal government has partnered with over 3,000 Canadian companies to support the need for diagnostic testing, ventilators and protective personal equipment.

Government of Canada provides relief to the Broadcasting sector:

- The Canadian Radio-television and Telecommunications Commission (CRTC) will not issue letters requesting payment for Part 1 license fees by broadcasters for the 2020-21 fiscal year. The government will transfer necessary funds to the CRTC to support its operations.
- Waiving these regulatory charges for broadcasters provides immediate financial relief for the broadcasting industry, freeing up more than \$30 million in cash

Canada Emergency Business Account

- Businesses will qualify for up to \$40K in loans (interest free for year 1 with up to \$10K forgiven). Owners will have up to June to pay GST and HST payments while taxes on imports will also be suspended. Equivalent to up to \$25B in loans, interest free

Alberta:

- The Government of Alberta has enacted a \$7.7 billion comprehensive response to protect the safety, security and economic interests of Albertans amidst the ongoing COVID-19 outbreak
- **Credit availability:**
 - Small business loans, mortgages or lines of credit through ATB will be able to apply for payment deferrals for up to 6 months and access additional working capital

Manitoba:

- Manitoba Budget increased the government's emergency expenditures contingency fund to \$100 million from \$43.8 million.
- Manitoba also noted it has identified \$500 million in planned expenditures that could be deferred or redeployed if required.
- Manitoba Budget 2020 released March 19, 2020, contained a supplement providing information to Manitobans regarding measures within the Budget that serve as the foundation for the government's fiscal response to the fast-evolving public health and economic challenges posed by the Coronavirus disease(COVID-19), which the World Health Organization (WHO) declared a pandemic on March 11, 2020.
- Manitoba's Rainy Day Fund is currently funded to \$571 million. As a key part of the Province's fiscal response to COVID-19, the balance will grow to \$800 million before the end of this month, and to \$872 million by the end of the 2020/21 fiscal year.
- Because COVID-19 is a rapidly changing situation, Manitoba cannot provide specific details in respect to its "bottom line."

Quebec:

- « **Programme d'action concertée temporaire pour les entreprises** » (PACTE) (included in the ESSOR program)

For businesses whose liquidity is affected by the repercussions of COVID-19.

On March 19, 2020, the Premier of Quebec François Legault and the Minister of Economic Development, Innovation and Export Trade, Pierre Fitzgibbon, announced Quebec's plan action plan for businesses valued at over \$2.5 billion for this program. This \$2.5billion is not a firm limit and that if greater needs arise, the Government of Quebec will respond.

Details of financial assistance:

- Financing in the form of a loan guarantee will be preferred at all times. Funding may also take the form of Investment Québec loan;
- Barring exceptions, companies from all sectors of activity are eligible for this program.
- **All industries are eligible, except for the following:** (i) Weapons manufacturing or distribution;(ii) Games of chance and gambling, combat sports, racing and other similar activities; (iii) Production and sale of tobacco and drugs along with services related to their use, except for projects involving pharmaceutical-grade products approved by Health Canada and having a DIN, or their ingredients, as well as R&D projects licensed by Health Canada; (iv) Any activity whose main purpose is protected by the Canadian Charter of Rights and Freedoms (religion, politics, human rights advocacy, etc.); (v) any other activity that may offend public morals.

Investissement Québec aims to work in close cooperation with financial institutions and federal authorities in order to share risk: (i) The minimum funding amount is \$50,000; (ii) Refinancing is prohibited; (iii) This measure is designed to shore up the business's working capital. (iv) Special conditions may apply.



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

Quebec (continued):

Outstanding loans and guarantees

- Loan flexibility measures already provided by investissement Québec can be implemented;
- This is not an automatic measure such as the loans made by the BDC. A request must therefore be made specifically to benefit from the flexibility measures;
- In addition, a three (3) month moratorium was introduced for the repayment (principal and interest) of loans already granted through local investment funds;
- Interest earned during this period will be added to the loan balance. This is in addition to the moratorium already in place under most of the investment policies in force in the RCMs, which can reach twelve months.

Close relations with financial institutions

- The Government recommends that companies first contact their financial institutions. The link will then be made with the regional offices of Investissement Québec, which will deploy all its resources to the PACTE program.

Newfoundland & Labrador Government:

- Provide long-term borrowing authority of \$2 billion. This will allow for ongoing government operations, as well as the ability to respond to current revenue volatility.

New Brunswick Government

Working capital for medium-sized to large employers

- The province will provide working capital of more than \$200,000 to help medium-sized to large employers manage the effects of COVID-19 on their operations. Businesses can apply directly to Opportunities NB for this support.

Working capital for small businesses

- Small business owners will be eligible for loans up to \$200,000. They will not be required to pay principal on their loan for up to 12 months.

Prince Edward Island Government:

Contingency fund used as of March 27

- Emergency Working Capital Financing for small business; ° 42 loans approved (\$1.725 million)

General funding announced

- Establishing a \$25 million COVID-19 Emergency Contingency Fund

Business financial support

- Deferring all scheduled loan payments for clients of Finance PEI, Island Investment Development Inc., and the PEI Century Fund for the next 3 months;
- Suspending repayments for provincial student loans for the next six months; and;
 - Emergency Relief Worker Assistance Program a temporary allowance of \$200 per week for anyone who has experienced a significant drop in their working hours
 - Emergency Income Relief for the self-employed, which will provide \$500 per week lump sum for self-employed Islanders, delivered through Innovation PEI
 - Emergency Working Capital Financing, which will provide support for small businesses through a capital loan of up to \$100,000 with a fixed interest rate of 4% per annum, to be delivered through Finance PEI
 - \$4.5 million to Community Business Development Corporations across the province to deliver financing to small business and entrepreneurs

Nova Scotia Government:

General business funding

Government will defer payments until June 30 for:

- The government will invest \$161 million to address cash flow and access to credit for small and medium-sized businesses in Nova Scotia
- All government loans, including those under the Farm Loan Board, Fisheries and Aquaculture Loan Board, Jobs Fund, Nova Scotia Business Fund, Municipal Finance Corp. and Housing Nova Scotia.
- Small business fees, including business renewal fees and workers compensation premiums (a list of fees will be posted online early next week)

Changes to the Small Business Loan Guarantee Program, administered through credit unions, include: (i) deferring principal and interest payments until June 30, (ii) enhancing the program to make it easier for businesses to access credit up to \$500,000; (iii) Those who might not qualify for a loan, government will guarantee the first \$100,000



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

Nova Scotia Government (continued):

Further measures include: (i) Deferring principal and interest payments until June 30 (ii) small businesses which do business with the government will be paid within five days instead of the standard 30 days (iii) suspending payments on Nova Scotia student loans for six months, from March 30 to Sept. 30 and students do not have to apply; (iv) ensuring more Nova Scotians can access the internet to work from home, by providing \$15 million as an incentive to providers to speed up projects under the Internet for Nova Scotia Initiative and complete them as soon as possible

City of Calgary:

Supporting businesses:

- March 16, City Council approved corporate response strategy supporting economic resilience.
- A portion of property tax The City collects goes to the province and the other portion goes to maintain City services. City Council is evaluating options and working with the Province to determine a direction that will be of the most benefit to all Calgarians.
- ENMAX released a COVID-19 Relief program The City of Calgary is working closely with the province and the federal government to gain further information on the impacts to Calgary business of this relief

Customs Measures

Duty relief

- Temporary elimination of import tariffs on certain products (e.g. essential items including, but not limited to, face masks, surgical gloves and disinfectants) imported by public health agencies, hospitals and testing sites, and first response organizations (also exempted from sales taxes)

Payment facilities

- Extension of timeframes for payment of customs duties and and GST (deferred to 30 June 2020)
- Waiver of Late Accounting Penalties: 45 business days grace period before late accounting Penalties for releases between Mar 11, 2020 and May 14, 2020
- Functional Guidance on Interest Charges for Deferred Duty & GST: Applicable on amounts Importers are unable to pay in full on June 30, 2020

Import

- COVID-19 Tariff Classification and Other Information to Import Medical Supplies
- Electronic submission in lieu of certain paper submissions. Vancouver, Toronto, Windsor, Montreal and Halifax first ports to implement

Other measures

- SIMA Duties continue to apply and are deferred as outlined in CN20-11
- Non Resident Importers (NRI's) included in CN20-11 (Received formal confirmation that NRI's are included)
- Decommissioning of the Canadian Automated Export Declaration (CAED) delayed to September 30, 2020: Canada's new Canadian Export Reporting System (CERS) still on schedule



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	KPMG ANALYSIS
1. DIRECT SUPPORT			
1.1 DIRECT SUPPORT TO INDIVIDUALS			
1.1.1 Temporary Income Support for Workers & Parents			
Emergency Care Benefit	< \$10B + \$24.6B in \$2,000 per person subsidies	\$900 every 2 weeks for individuals either sick with COVID-19 who do not qualify for EI (i.e. self-employed, freelancer) or parents at home with kids due to school closures & unable to receive a paycheck	Funding likely earmarked to send direct-to-individual with limited consulting spend potential.
1.1.2 Longer Term Income Support for Workers	< \$5B (10% of total direct support)	For individuals facing unemployment but do not qualify for EI.	Funding likely earmarked to send direct-to-individual with limited consulting spend potential.
1.1.3 Income Support for individuals Who need it Most			
Emergency Support Benefit	< \$5B (20% of total direct support)	Doubling maximum GST credit (on average, extra \$400 for individuals, \$800 for couples).	Funding likely earmarked to send direct-to-individual with limited consulting spend potential.
Enhanced Canada Child Benefit	\$1.9B (7% of total direct support)	Boosting Canada Child Benefit by \$300 per child; 2019/20 year only.	Funding likely earmarked to send direct-to-individual with limited consulting spend potential.
Support for Indigenous Communities	\$200M (1% of total direct support)	Addressing immediate needs of Inuit, Metis & First Nations communities.	KPMG may consult on a needs assessment of the prioritized areas requiring immediate support and roll out of funding.
Canada Student Loan Payments	\$180M (1% of total direct support)	6-month interest free moratorium on repayment of student loans for those currently repaying - starts each April (Federal portion only).	Funding represents moratorium likely with limited consulting spend potential.
Lever RRIF minimum withdrawal amounts	\$435M (2% of total direct support)	Reduces minimum required RRIF withdrawals by 25% for 2020 flexibility.	Funding represents reduction in withdrawal amounts likely with limited consulting spend potential.
Support for the homeless	\$157.5M (11% of total direct support)	For "Reaching Home" program (purchasing beds, physical barriers for social distancing, accommodation to reduce overcrowded shelters).	KPMG MC Operations may pursue consulting in this stream. Per the program's Strategic Direction, eligible activities and expenses include consulting fees for: (1) capital investments to increase capacity or improve the quality of facilities; (2) coordination of resources, data collection, additional support; (3) administrative expenditures (contracting for IT, security).
Support for women's shelters & sexual assault centres	\$80M (41% of total direct support)	Assist with capacity to manage or prevent outbreak in their facilities	KPMG Operations or P&C may consult on best practices around continuity planning and disaster recovery plans for Canadian shelters.
1.2 DIRECT SUPPORT TO BUSINESSES			
Temporary Business Wage Subsidy for Employers Helping Businesses Keep their Workers	\$3.9B (14% of total direct support)	For period of 3 months, subsidy equal to 10% of remuneration paid during that period. Maximum of \$1,375 per employee & \$25,000 per employer. Immediate benefits by reducing remittance of income tax withheld on employee remuneration (small / mid-size businesses).	Although government measure currently targeted to small/mid-size businesses, KPMG may also explore reducing remittance of income tax withheld for employees to enable cash preservation.
TOTAL DIRECT SUPPORT : \$62B			
2. INDIRECT SUPPORT & TAX DEFERRALS			
2.1 INDIRECT SUPPORT TO INDIVIDUALS			
Flexibility for Individual Taxpayers	\$25B + \$2.5B additional support	Individual tax deadline deferred until June 1, 2020 (except those who receive benefits under GST Credit or Canada Child Benefit). Trust tax 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 & MARKETS			
Flexibility for Businesses Filing Taxes	Part of \$55B above + \$25B in interest-free loans (\$40K each up to \$10K forgivable)	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: \$87.4B (As reported by news outlets representing quantification of stimulus.)			

MEASURE	2020-21 COST	COMMENTS	KPMG ANALYSIS
Business Credit Availability Program (BCAP)	\$10B + \$2.5B additional support	Business Development Bank of Canada (BDC) & EDC to provide additional credit – focus on oil/gas, air transport, & tourism for small & midsize businesses.	KPMG has several existing relationships in Export Development Canada. Strongest relationship with Shana Breakevel, Vice President (ERP) held by Linda El-Ghoraf. KPMG Partner FRM. Potential to leverage existing relationships for KPMG Operations to consult on credit programs.
Credit & Financial Market Liquidity Support	\$500B + \$5B in additional support + \$25B in interest-free loans (\$40K each up to \$10K forgivable)	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 allow payment deferral, loan re-amortization & special payment arrangements. Office of Superintendent of Financial Institutions (OSFI) immediately covering Domestic Stability Buffer by 1.28% of risk-weighted assets allowing banks to inject \$200B into economy. Insurance of mortgage pools through CMHC up to \$30B.	Given this will be administered by lenders across the country and may represent fundamental transformations in how lenders structure credit to borrowers going forward, KPMG's Finance Transformation practice may consult on strategizing appropriate special arrangements based on client profiles, revised payment structures, and best practices to balance the needs of lenders, clients vs. government mandates vs. profitability.
TOTAL COMBINED ECONOMIC STIMULUS: \$961.4B			

**CONTACTS:**Restructuring: Kris Beighton – krisbeighton@kpmg.ky

As of 22 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...)
Annual Fees Deferred

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.

- 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.

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

Butterfield, Cayman National Bank and RBC Royal Bank are implementing measures to provide financial relief to clients impacted by the COVID-19 health crisis.

- 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.

Other measures and sources

- 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.

Main sources of information

Department for international tax cooperation: <http://www.ditc.gov.ky/>

General registry: <https://www.ciregistry.ky/>

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

The government of Jamaica has acted swiftly with implementing a myriad of stabilization measures to protect its people and business interests. In his address to the country during the 2020-2021 budgetary debate, Minister of Finance, Dr Nigel Clarke revealed that Jamaica's 2020-2021 budget was planned to include providing a historical \$25 billion stimulus.

The plan includes:

- A reduction in General Consumption Tax (GCT) from 16.5% to 15%. This puts \$14 billion back into the economy to stimulate consumer spending.
- A \$1 billion MSME tax credit providing critical cash-flow support to MSMEs
- A reduction in regulatory fees for coconut, coffee, cocoa and spice farmers incentivizing greater production.

Subsequent to the presentation of this plan, Jamaica reported its first case of the Coronavirus COVID-19. The government has announced a raft of measures expected to curb the human to human transmission of the virus.

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

The Government is implementing and considering further fiscal action to cushion the economic impact of COVID-19. These include:

- Waived the Special Consumption Tax on approximately 100,000 liters of alcohol for use in making (or substituting for) sanitizers that will be donated to the National Health Fund and Ministry of Health. This will ensure that sanitizers remain available in Jamaica.
- Waived Customs Duty on the importation of masks, gloves, hand sanitizers and liquid hand soap for a 90 day period.
- Under normal circumstances, Customs requires BPO firms to keep the equipment used in their operations physically at their place of business. They will waive this requirement for a specific period to facilitate working from home and for business continuity.
- In discussions with commercial banks for them to provide temporary cash-flow support to businesses and consumers in affected sectors through deferral of principal payments, new lines of credit and other measures

Covid Allocation of Resources for Employees (CARE) program

- The CARE program is applicable to small businesses in Jamaica, who operate in many sectors, who provide vital goods and services and who employ other Jamaicans such as waiters, waitresses, bartenders, gardeners, room attendants, drivers, caregivers, security guards, office attendants and clerks among other categories of workers who are the backbone of our hotel, attraction, tour, restaurant industry.

The Business Employee Support and Transfer of Cash (BEST Cash):

- This will provide temporary cash transfers to registered businesses operating in the hotel, tours, attraction companies, segments of the tourism industry who are licensed with the Jamaica Tourist Board based on the number of workers they keep employed who are under the income tax threshold of \$1.5 million. When such businesses file and pay their payroll returns as usual on the 15th of April, May and June, for each employee, with taxable income that is less than 1.5 on whose behalf statutory returns are applied, the Government will transfer funds at a rate of \$9,000 per fortnight to that tourism related business, by direct transfer to their bank account, paid monthly. For the months of April, May and June that will equate to \$54,000 for each employee they retain whose taxable income is less than \$1.5 million



As of 22 April 2020

Economic stimulus measures

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

- **Supporting Employees with Transfer of Cash (SET Cash):** This will provide temporary cash transfers to individuals where it can be verified that they lost their employment since March 10, (the date of the first Covid case in Jamaica). This program will be available to employees from any sector who lost their employment after March 10 and before June 30. The SET Cash program is directed towards individuals who earn below the income tax threshold of \$1.5m who constitute 80 and whole are most vulnerable to the effects of being suddenly laid off.
- It is expected that the BEST Cash and SET Cash elements of the CARE program will cost approximately \$5.9 billion.

Covid Grants to those who are marginally self-employed and informally employed

- The Government will allocate \$1 billion in additional funding to the Ministry of Labour and Social Security to provide Covid Grants to those who are marginally self-employed and informally employed.

Covid PATH Grants

- The poor and vulnerable on PATH will be affected by this crisis in ways that may not be readily visible. They are characterised by having income that is supplemented by various irregular flow, which are likely to be interrupted by the COVID pandemic. As a result, the Jamaican Government will be channeling \$1.1 billion of additional funding to the Ministry of Labour and Social Security to be used to increase PATH Cash Grants paid during the period of April-June.

Covid Small Business Grant

- The MSME sector plays a very vital importance to Jamaica. Over the past few years we have seen a growth in the number of micro and small enterprises operating in Jamaica and they account for a substantial amount of employment. All small businesses with sales of \$50 million or less who files taxes in the 2019/2020 financial year, and who filed payroll returns indicating they have employees, will be eligible for one-time COVID Small Business grant of \$100,000.

Covid Tourism Grant

- Jamaica's tourism industry consist of many small hotel operators, attraction companies, tour operators, transportation companies, entertainment companies among others. The Government will make \$1.2 billion available in the form of grants to businesses operating in the tourism and related sectors.

Covid Compassionate Grants

- The poor and vulnerable are not limited to the PATH beneficiary population. They include the elderly not on PATH, the infirm, the homeless and people on the streets. The Government will allocate \$150 million to the Ministry of Local Government to supplement the Poor Relief programme, and their budget in general, to respond as required with food, medicine and supplies that this population will require.

Covid Student's Loan Bureau

- Jamaica will be deferring principal and interest payments on student loans for the three-month period April – June to cushion the impact on young graduates while giving new graduates 14 months to start payment their student loans after graduation. The Constituency Development Fund will also be increased by \$3 million to address Covid Compassionate Grants and Care packages for the vulnerable on a constituency basis. This will cost approximately \$200 million.

Covid assistance for small Farmers

- The Ministry of Industry, Commerce, Agriculture and Fisheries will be reallocating expenditure in the budget to provide \$200 million relief for small fallers either through funding NGO's to purchase farm output from those who supply hotels and give to the needy or other means.

**Economic stimulus measures***(e.g. loans, moratorium on debt repayments...)***Stimulus Measures to the Housing Sector and Benefits to NHT Contributors**

The Government through the NHT put in place special relief for mortgagors who may lose their jobs as a result of COVID-19. Effective immediately, mortgagors who are laid off can apply for a moratorium on all loan payments of three months in the first instance. The NHT will also provide a special one-off offer to contributors, the option to reschedule delinquent loans. The option will only be made available where the Trust has not already entered into a commitment to dispose of the property.

The opportunity will be extended for 6 months, effective April 1, 2020. During this period, the NHT will consider each mortgage on a case-by-case basis, with the option to extend the tenor of the loan or reduce the interest rate.

The measures include:

- Effective April 1, 2020 the NHT will reduce interest rates on all new loans by 1% (benefitting some 8,000 new mortgagors annually)
- All existing NHT loans will be reduced by 0.5% (benefitting some 100,000 existing mortgagors).
- Interest rate discounts currently offered to special groups, such as mortgagors aged 55 years and over, the disabled as well as public sector workers will continue.
- The interest rate discounts for the disabled will be effective April 1, 2020 and will also be extended to include the parents of disabled children.
- The NHT will expand the Intergenerational Mortgage Program. Beginning April 1, 2020, the NHT will extend this benefit for eligible applicants for other loan products, such as open market purchases and construction loans. Funding under this Program will be capped at the prevailing loan limit.
- The NHT will also provide greater benefits to contributors over 65 years. Persons in this category will be designated as Voluntary Contributors and therefore be able to access housing benefits with tenures extending up to age 70.
- The NHT will establish a special arrangement whereby, following maturity of the loan, the insurance arrangement at special rates may be continued. The cost savings will enable beneficiaries to continue the protection of their properties in a period of life when their earning power may be at its lowest.
- The NHT will, during FY2020/21, seek to leverage its current mortgage loan portfolio through a securitization transaction to generate additional inflows.

Other measures and sources**Main sources of information**

- The office of the Prime Minister: <https://opm.gov.jm/news/prime-minister-holness-announces-stimulus-measures-to-the-housing-sector-and-benefits-to-nht-contributors/>
- <https://mof.gov.jm/mof-media/media-centre/press/2633-fiscal-stimulus-response-to-the-covid-19.html>
- https://jis.gov.jm/radio_programs/jis-evening-news-march-25-2020/

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As of 22 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>

**CONTACTS:****Tax:** Louisa Ward – louisaward@kpmg.bb**As of 22 April 2020****Tax measures – Direct and Indirect**
(e.g. payment deferrals, rate reductions...)**Filing/Payment Deadline Extension**

- The March 31, 2020 deadline for filing personal income tax returns has been extended to April 30, 2020.
- The March 31, 2020 Corporation Tax deadline was not extended. Extensions will be considered on a case by case basis. The corporate income tax filing deadline remains three months after the fiscal year end.
- No payment relief measures have been put in place to date. These are to be considered on a case by case basis.

**CONTACTS:****Tax:** Louisa Ward – louisaward@kpmg.bb**As of 22 April 2020**
Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)
Filing/Payment Deadline Extension

- The March 31, 2020 deadline for filing personal income tax returns has been extended to April 30, 2020.
- The March 31, 2020 corporation tax filing deadline was not extended. The corporate income tax filing deadline remains three months after the fiscal year end.
- No payment relief measures have been put in place to date

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

Financing: Banks and credit unions to offer up to 6-month moratorium on loan and mortgage payments; there will be the provision of supplementary income to displaced hotel and other affected workers for up to three months in the first instance; A USD15 million job-creating stimulus package is proposed; a one off support payment will be made to taxi, water taxi and tour operators affected by the cancellation of cruise ships; USD1.5 million for small businesses and cultural workers; USD6 million direct support to farmers and individuals engaged in the fishing sector.

Value Added Tax: There is to be No VAT on electricity for domestic, hotel or guest house customers from March 30 – June 30.

Social Security: The National Insurance Service will provide a two-month pre-payment of pension benefits to pensioners and USD463,000 in temporary unemployment relief to displaced active registrants; assistance benefits are to be provided for vulnerable citizens including home help for the elderly.

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As of 22 April 2020

Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)
<ul style="list-style-type: none"> — VAT refunds to be paid to people owned 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. 	<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 normalizes. 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



Other measures and sources

- 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 22 April 2020

General Information

On 18 March 2020, the Government of The Bahamas rolled out a COVID-19 fiscal stimulus response plan. The stimulus response included provisions for unemployment assistance, food and social support, and business loans. To date B\$121 million has been allocated to respond to COVID-19 in The Bahamas (approx. 1.0% of The Bahamas' annual GDP). Of this, over B\$100 million is geared towards sustaining pre-COVID-19 employment levels.

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
<ul style="list-style-type: none"> The government implemented a Tax Credit and Tax Deferral Employment Retention Program. Under the program qualifying businesses will be allowed to withhold outstanding business license fees or VAT receipts collected up to a maximum of B\$200,000 per month for up to three months. At the maximum funding level, B\$100,000 would be the form of non-reimbursable tax credit and the other B\$100,000 will be in the form of a deferred tax payment. Taxes will be deferred until January 2021 upon which time it will be repaid in equal installments over a 12 month period. Tax credits or tax deferrals are to be used to assist with covering payroll expenses. Qualifying businesses must agree to retaining 80% of its staff complement. The deadline for the payment of Business License and Real Property Tax fees was extended from March 31 to April 15. 	<ul style="list-style-type: none"> Contributions by self-employed persons into the National Insurance Board of The Bahamas ("NIB") do not cover unemployment benefits therefore they are not eligible to receive such benefits. As a result, a temporary program was designed to assist self-employed persons affected by COVID-19. Self-employed individuals will receive weekly payments of B\$200 for a period of up to 8 weeks. Other unemployed individuals are able to apply for unemployment benefits under NIB's existing unemployment benefit scheme. The Government will expand the Accelerate the Youth Apprenticeship Program to include additional opportunities for young Bahamians. Such opportunities would include training in the construction sector aimed at supporting local reconstruction. 	<ul style="list-style-type: none"> Domestic commercial banks and credit unions are allowing a three month payment deferral against the repayment of loans for borrowers in good standing who have been negatively impacted by COVID-19. Interest will however continue to accrue during the deferral period. Government will re-evaluate capital projects to prioritize projects that are easy to deploy in an effort to increase business activities of local small businesses. Approvals for the domestic and foreign capital investment projects will be accelerated. Payment of premiums related to health, medical and life insurance have been suspended. The Business Continuity Loan Program provides loans to MSMEs to assist with settling ongoing operating costs. The loan value ranges from B\$5,000 to B\$300,000 with a payment grace period of four (4) months. 	<ul style="list-style-type: none"> The social assistance program is available to assist individuals facing reduced work weeks with the purchase of household groceries. The assistance is primarily for individuals within the hospitality industry. State-owned electricity, water and sewerage companies are providing deferral arrangements, reconnecting services for consumers meeting certain requirements, and suspending disconnections for a defined period. The Ministry of Finance is allocating B\$1.8 million to support the Family Islands specifically to be used for any COVID-19 related expenditure. <p>Main source of information</p> <ul style="list-style-type: none"> The Bahamas' Ministry of Finance portal http://www.bahamas.gov.bs/wps/portal/

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As of 22 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 (continued)

(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 (continued)

(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.

On March 30th, 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. KPMG's State and Local Tax practice has prepared a report that, in table format, provides a summary of guidance from jurisdictions on extensions of time for filing and payment of income, sales and/or other state taxes, or penalty relief in light of COVID-19.



Economic stimulus measures – taken in advance of the CARES Act (e.g. loans, moratorium on debt repayments...)

Banking Regulators

In its role as a central bank, the FRB established multiple facilities to support the flow of credit to households and businesses, including:

- A Commercial Paper Funding Facility (CPFF) to purchase unsecured and asset-backed commercial paper rated at least A1/P1/F1 (as of March 17, 2020) directly from eligible companies, defined to be U.S. issuers of commercial paper, including U.S. issuers with a foreign parent company. Purchases under the CPFF will continue through March 17, 2021 unless extended by the FRB.
- A Primary Dealer Credit Facility (PDCF) to offer overnight and term funding with maturities up to 90 days to Primary Dealers of the New York Federal Reserve Bank. Credit extended to primary dealers under this facility may be collateralized by a broad range of investment grade debt securities, including commercial paper and municipal bonds, and a broad range of equity securities. The PDCF will be in place for at least six months and may be extended as conditions warrant.
- A Money Market Mutual Fund Liquidity Facility (MMLF) that will make loans available to eligible financial institutions secured by high-quality assets purchased by the financial institution from money market mutual funds. “Eligible financial institutions” are defined as U.S. depository institutions, U.S. bank holding companies, and U.S. branches and agencies of a foreign bank. High-quality assets include unsecured and secured commercial paper, agency securities, and Treasury securities. Credit extensions under the MMLF will be available through September 20, 2020 unless the facility is extended by the FRB.
- The Primary Market Corporate Credit Facility (PMCCF) for new bond and loan issuances. This facility is open to investment grade companies and will provide bridge financing of four years. Borrowers may elect to defer interest and principal payments during the first six months of the loan, extendable at the Federal Reserve's discretion, in order to have additional cash on hand that can be used to pay employees and suppliers.
- The Secondary Market Corporate Credit Facility (SMCCF) to provide liquidity for outstanding corporate bonds. The SMCCF will purchase in the secondary market corporate bonds issued by investment grade U.S. companies and U.S.-listed exchange-traded funds whose investment objective is to provide broad exposure to the market for U.S. investment grade corporate bonds.
- The Term Asset-Backed Securities Loan Facility (TALF), to support the flow of credit to consumers and businesses. The TALF will enable the issuance of asset-backed securities (ABS) backed by student loans, auto loans, credit card loans, loans guaranteed by the Small Business Administration (SBA), and certain other assets.

State Regulatory Actions

Working collectively through the Conference of State Bank Supervisors (CSBS), individual States participated in releasing joint interagency guidance with the federal financial services regulators, including:

- Releasing a statement encouraging financial institutions to “work constructively” with borrowers and other customers in areas affected by COVID-19 to help meet the customers’ financial needs. The Agencies committed to providing appropriate regulatory assistance to affected institutions, working to minimize disruption and burden related to examinations and inspections, and expediting reviews of requests to provide more conveniently available services to affected customers.
- Releasing a statement on loan modifications and reporting (jointly with the federal banking regulators).
- Updating a Statement on Pandemic Planning, which identifies actions financial institutions should take to minimize the potential adverse effects of a pandemic.

Similarly, the National Association of Insurance Commissioners (NAIC) issued a brief outlining the types of insurance that may have provisions and exclusions triggered by the COVID-19 outbreak, including health, travel, life, business continuity, workers compensation, and general liability and directors and officers insurance.

Separately, a growing number of individual State insurance regulators have taken actions requesting and/or requiring insurers to extend premium payments and to not cancel or non-renew policies during the crisis. For example:

- New York Department of Financial Services provided guidance to insurance companies to “do their part to alleviate the adverse impact caused by COVID-19 on those consumers and small businesses that can demonstrate financial hardship caused by COVID-19,” including offering payment accommodations, increasing resources for claims, and proactively reaching out to customers.
- New York subsequently required issuers of life insurance and annuity contracts, property and casualty insurers and premium finance agencies to provide relief to New York consumers and businesses experiencing financial hardship due to COVID-19. Consumers experiencing financial hardship due to COVID-19 may defer paying life insurance premiums for ninety (90) days. Consumers and small businesses experiencing financial hardship due to COVID-19 may defer paying premiums for property and casualty insurance for sixty (60) days.



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

The Coronavirus Aid, Relief, and Economic Security Act – or the CARES Act – provides more than \$2 trillion in emergency aid to individuals and businesses in various forms including loans, direct payments, and insurance benefits intended to cushion the economic impact of the coronavirus outbreak, or COVID-19.

American Workers Paid and Employed Act

Provides \$349 billion in direct appropriations for Small Business Administration (SBA) loan guarantees and additional funding for SBA programs and relief to small business borrowers and lenders. Highlights include:

- A new “Paycheck Protection Program” under the SBA’s Section 7(a) Loan program. Features include:
 - A maximum loan amount of \$10 million (based on payroll costs) and a maximum interest rate of four percent. Allowable uses for the loans would be expanded to include employee salaries, medical leave, insurance premiums, mortgage, rent, and utility payments; the loans will receive a 100 percent government guarantee through December 31, 2020.
 - eligibility to include certain nonprofits organizations, veterans’ organizations, or Tribal businesses as well as sole proprietors and independent contractors. Borrower eligibility would consider whether the borrower was operational on February 15, 2020 rather than repayment ability.
 - Deferred payments of principal, interest, and fees for up to one year.
 - Delegated authority to all current SBA Section 7(a) lenders and lenders who join and make loans under the program.
 - A zero percent regulatory capital risk weight and temporary relief from troubled debt restructuring (TDR) disclosures. Section 1102.
 - Limited loan forgiveness for amounts spent on payroll costs, rent and utilities payments, and interest payments on mortgages for borrowers that apply. The amount forgiven will be reduced by any reduction in employees retained. Section 1106.
- Expanded eligibility for Economic Injury Disaster Loans (EIDL). Section 1110.
- A requirement for the SBA to pay principal, interest, and any associated fees that are owed on existing section 7(a) loans, section 504 loans, or microloan products, for a six month period starting on the next payment due date. Loans on deferment will also receive six months of payment by the SBA, as will loans made up to six months after enactment. Loans provided under the Paycheck Protection Program are not included. Lenders are encouraged to further provide payment deferments and maturity extensions when appropriate. Section 1112.

- Increases to the eligibility threshold to file under subchapter V of chapter 11 of the U.S. Bankruptcy Code to include businesses with up to \$7.5 million of indebtedness; the increase will terminate after one year. Section 1113.

Economic Stabilization and Assistance to Severely Distressed Sectors of the United States Economy

Provisions in this section are directed toward providing credit and liquidity to small business and the markets. Many are temporary in nature and generally will expire on the earlier of December 31, 2020 or the date on which the national emergency is terminated. Some provisions codify actions taken previously by federal agencies. Highlights include:

- A total of \$500 billion to be provided to the Treasury’s Exchange Stabilization Fund (ESF) for loans, loan guarantees, and other investments. The bulk of these funds, \$454 billion, will be provided to the Federal Reserve Board (FRB) to support its credit and liquidity facilities for eligible businesses, states, and municipalities. The remainder will be available as direct loans to passenger and cargo air carriers and related businesses, and other businesses deemed important to national security. If those funds are not fully used, the Treasury may make loan and loan guarantees, or other investments in, programs or facilities of the FRB.
 - Lending through any of the FRB facilities must be broad-based, with verification that each participant is not insolvent and is unable to obtain adequate financing elsewhere. Loan forgiveness is not permissible in any such credit facility.
 - Treasury will “endeavor to seek the implementation of a program or facility” through the FRB that provides financing to banks and other lenders that make direct loans to nonprofit organizations and eligible businesses with between 500 and 10,000 employees. The terms would include a requirement that the funds be used to retain at least 90 percent of the organization’s workforce. This would be separate from and would not impact the FRB’s Main Street Lending Program.
 - Direct lending loan terms include sufficient loan security; loan duration of not more than 5 years; stock buyback and dividend restrictions; at least 90 percent retention of March 24, 2020 employment through September 30, 2020; no loan forgiveness; U.S. domiciled business with predominantly U.S. employees. Section 4003.

An Office of Inspector General for Pandemic Recovery will be established within the Treasury to conduct, supervise, and coordinate audits and investigations of the making, purchase, management, and sale of loans, loan guarantees, and other investments made by the Treasury Secretary under this Title. Section 4018. A Congressional Oversight Commission will be created; the Commission will terminate on September 30, 2025.



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

Economic Stabilization and Assistance to Severely Distressed Sectors of the United States Economy (continued)

Additional provisions include:

- Authority for the FDIC to temporarily establish, through December 31, 2020, a debt guarantee program to guarantee debt of solvent insured depository institutions and depository institution holding companies. Noninterest-bearing transaction account may be treated as a debt guarantee program. Similarly, the NCUA may temporarily increase the share insurance coverage for non-interest-bearing transaction accounts. Section 4008.
- Authority for the OCC to temporarily except nonbank financial companies from the OCC's lending limits as well as exempt transactions from the lending limits if they are in the public interest. Temporary relief expires on the earlier of December 31, 2020 or the end of the national emergency. Section 4011.
- A requirement that the Community Bank Leverage Ratio for qualifying community banks be reduced from 9 percent to 8 percent via interim final rule expiring on the earlier of December 31, 2020 or the end of the national emergency. Section 4012.
- Permissibility for financial institutions, including credit unions, to elect to suspend U.S. GAAP for loan modifications related to COVID-19 that would otherwise be categorized as a troubled debt restructuring. The suspense would apply to loan modifications for loans that were not more than 30 days past due as of December 31, 2019 for the period beginning March 1, 2020 and lasting no later than 60 days after the lifting of the national emergency. Section 4013.
- Permissibility for insured depository institutions, including credit unions, bank holding companies, or any of their affiliates to opt to temporarily delay compliance with the FASB Current Expected Credit Losses (CECL) methodology. Such an option will expire at the earlier of December 31, 2020 or the date on which the national emergency is terminated. Section 4012.
- Temporary suspension of the statutory limitation on the use of the ESF for guarantee programs for U.S. money market mutual fund industry. Section 4015.
- Temporary enhancements to credit union access to the Central Liquidity Facility. Section 4016.
- A requirement that furnishers of information to credit reporting agencies who agree to an accommodation on an account of a consumer impacted by COVID-19 to report the account as "current" or as the same status as before the accommodation. Such credit protection is available beginning January 31, 2020 and ending at the later of 120 days after enactment or 120 days after the national emergency is terminated. Section 4021.
- A moratorium on foreclosures of federally-backed mortgage loans for not less than 60 days beginning March 18, 2020. Section 4022. A moratorium on eviction filings or charges related to nonpayment where the landlord's mortgage is federally-backed. Section 4024.
- Temporary forbearance for federally-backed 1-4 family mortgage loans experiencing financial hardship due, directly or indirectly, to COVID-19. Borrowers may request up to 180 days as well as an extension of a second 180 days. Section 4022. Temporary forbearance of up to 90 days is also available for federally-backed multifamily mortgage loans, subject to renter protections during the forbearance period including no tenant evictions or late fee charges. Section 4023.

Main sources of information:

- KPMG Regulatory Insights:
 - CARES Act: Financial services impacts: <https://advisory.kpmg.us/articles/2020/cares-act.html>
 - Financial services regulatory expectations for COVID-19: #2: <https://advisory.kpmg.us/articles/2020/reg-expectations-response-to-covid-19.html>
 - Financial services regulatory expectations for COVID-19: #3: <https://advisory.kpmg.us/articles/2020/reg-expectations-for-covid-19-3.html>
- Coronavirus Aid, Relief, and Economic Stability Act, Public Law 116-136: <https://www.congress.gov/bills/116/congress/house-bill/748/text/toc-HCCF2DA7CBD6341059EAB97C24489743B>



Economic stimulus measures (continued) – following the CARES Act (e.g. loans, moratorium on debt repayments...)

Federal agencies have taken the following actions today to facilitate the flow of credit to small- and mid-sized businesses:

The FRB announced new credit facilities:

- The Paycheck Protection Program Liquidity Facility (PPPLF) to support liquidity to the SBA's Paycheck Protection Program (PPP). The PPLF will extend credit to eligible financial institutions that originate PPP loans, taking the loans as collateral at face value.
- The Main Street Lending Program, which will purchase up to \$600 billion in loans to small and mid-sized businesses. Firms that have taken advantage of the PPP may also take out Main Street loans.
- Expansion, in size and scope, of the Primary and Secondary Market Corporate Credit Facilities (PMCCF and SMCCF) as well as the Term Asset-Backed Securities Loan Facility (TALF).
- The Municipal Liquidity Facility, which will offer up to \$500 billion in lending to states and municipalities.
- A temporary repurchase agreement facility for foreign and international monetary authorities – the FIMA Repo Facility.

Financial services regulatory expectations for COVID-19

Federal Regulatory Actions

In response to the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, which provided \$349 billion in direct appropriations for Small Business Administration (SBA) loan guarantees:

- On April 2, 2020, the SBA published an interim final rule providing guidance on the Paycheck Protection Program (PPP) created by the CARES Act.
- The program is expected to become operational beginning April 3, 2020 for small businesses and sole proprietorships, and on April 10, 2020 for independent contractors and self-employed individuals.
- Treasury separately posted additional information on the PPP for borrowers and lenders.

Banking Regulators

The Federal Banking Agencies (FRB, OCC, FDIC) have:

Issued an interim final rule that permits banking organizations that implement the FASB's Current Expected Credit Losses (CECL) methodology before the end of 2020 the option to delay for two years an estimate of CECL's effect on regulatory capital, relative to the incurred loss methodology's effect on regulatory capital, followed by a three-year transition period to phase-out the aggregate amount of capital benefit provided during the initial two-year delay. The interim final rule does not replace the current three-year transition option available under the agencies' 2019 final rule. Banking organizations that have already adopted CECL have the option to elect the three-year transition option contained in the 2019 CECL rule or the five-year transition contained in the interim final rule, beginning with the March 31, 2020, Call Report or FR Y-9C. The mechanics of the Five-Year Transition Provision are outlined within the rule, including consideration of the provisions of the CARES Act, which permit insured depository institutions, including credit unions, bank holding companies, or any of their affiliates to opt to temporarily delay

compliance with the FASB CECL methodology. Such an option will expire at the earlier of December 31, 2020 or the date on which the national emergency is terminated.

- Announced a 30-day grace period for financial institutions to file their March 31, 2020 Call Reports after the official filing deadline. The FRB separately announced that it would allow small financial institutions with total assets of \$5 billion or less to file their Consolidated Financial Statements for Bank Holding Companies (FR Y-9C) or Financial Statements of U.S. Nonbank Subsidiaries of U.S. Bank Holding Companies (FR Y-11) within 30 days of the official filing due date.
- Announced changes to the calculation of Credit Concentration Ratios for the Community Bank Leverage Ratio.
- Provided notice that depository institutions and depository institution holding companies subject to the capital rule may accelerate implementation of the "standardized approach for measuring counterparty credit risk" rule, also known as SA-CCR, on a best efforts basis for the first quarter of 2020. The SA-CCR rule effective date remains April 1, 2020, and the mandatory compliance date will remain January 1, 2022.
- Issued an interagency statement with the CFPB and NCUA to encourage banks, savings associations, and credit unions to offer responsible small-dollar loans to consumers and small businesses through a variety of structures, such as open-end lines of credit, closed-end installment loans, or appropriately structured single payment loans.



Economic stimulus measures (continued) – following the CARES Act (e.g. loans, moratorium on debt repayments...)

- Issued an interim final rule to permit banking organizations to “neutralize” the regulatory capital effects of participating in the PPPLF and to clarify that a zero percent risk weight applies to loans covered by the PPP for capital purposes.
- Issued two interim final rules to temporarily modify the Community Bank Leverage Ratio and provide for a transition and grace period. Beginning in the second quarter of 2020, the ratio will be set at 8 percent. It will rise to 8.5 percent for calendar year 2021, and 9 percent thereafter.
- Issued interagency statements with the CFPB and the Conference of State Bank Supervisors to:
 - Revise their previous statement on loan modifications and troubled debt restructurings (TDRs) to clarify the interaction between the agencies’ guidance and related provisions in the CARES Act (section 4013). The agencies state they view loan modification programs as positive actions that can mitigate adverse effects on borrowers due to COVID-19; they will not criticize institutions for working with borrowers in a safe and sound manner and COVID-19-related modifications generally do not need to be categorized as TDRs. The agencies stress that when working with borrowers, institutions must make good faith efforts to support borrowers and comply with the consumer protection requirements, including fair lending laws.
 - Provide mortgage servicers that offer or provide a borrower a short-term payment forbearance option, including a CARES Act forbearance, with flexibility in complying with the mortgage servicing rules under the Real Estate Settlement Procedures Act and Regulation X. (The CARES Act provides a forbearance option for borrowers with “federally backed mortgage loans” in sections 4022 and 4023.) Broadly, the agencies will provide flexibility with regard to application, notice, and contact requirements, provided the mortgage servicer makes a good faith effort to comply. The interagency statement is supplemented by, and references, a frequently asked questions document published by the CFPB on the mortgage servicing rules and COVID-19.
- Explained adjustments to its supervisory approach, including a focus on monitoring and outreach and reduction in examination activities; large banking entities are still expected to submit their capital plans developed under CCAR by April 6.
- Delayed, for six-months, changes to its Payments System Risk Policy, and also the revisions to its Controls Determinations Framework.
- In its central bank role, the FRB announced a new credit facility - a temporary repurchase agreement facility for foreign and international monetary authorities (FIMA Repo Facility) to help support the financial markets, including the U.S. Treasury market. The FIMA Repo Facility will allow FIMA account holders, which consist of central banks and other international monetary authorities with accounts at the Federal Reserve Bank of New York, to enter into repurchase agreements with the Federal Reserve to temporarily exchange their U.S. Treasury securities held with the Federal Reserve for U.S. dollars, which can then be made available to institutions in their jurisdictions. The FIMA Repo Facility will be available on April 6 and will continue for at least 6 months.

The CFPB:

- Issued a Statement on Supervisory and Enforcement Practices Regarding the Fair Credit Reporting Act indicating lenders should comply with the CARES Act and providing flexibility for lenders and credit bureaus regarding the time they take to investigate disputes.
- Announced that it will not expect:

Quarterly information reporting by certain mortgage lenders as required under the Home Mortgage Disclosure Act (HMDA) & Regulation C.

Reporting of certain information related to credit card and prepaid accounts under the Truth in Lending Act, Regulation Z, and Regulation E, including annual submissions concerning agreements between credit card issuers and institutions of higher education; quarterly submission of consumer credit card agreements; collection of certain credit card price and availability information; and submission of prepaid account agreements and related information

Capital Markets Regulators

The SEC:

- Issued a new order to supersede and extend until July 1, 2020 an earlier order that allowed publicly traded companies an additional 45 days to file certain disclosure reports. The new order applies to reports that due between March 1, 2020 and July 1, 2020. The relief is conditional on companies meeting certain requirements, including an explanation of why the relief is needed.

The FRB separately:

- Issued an interim final rule to temporarily amend, through March 31, 2021, its Supplemental Leverage Ratio applicable to large BHCs and SLHCs, and U.S. IHCs.
- Issued an interim final rule that revises the definition of “eligible retained income” for purposes of the FRB’s total loss-absorbing capacity (TLAC) rule. The revised definition will make any automatic limitations on capital distributions that could apply under the TLAC rule more gradual and aligns to recent action taken by the FRB and the other federal banking agencies in the capital rule.



Economic stimulus measures (continued) – following the CARES Act (e.g. loans, moratorium on debt repayments...)

- Issued new orders to supersede and extend earlier orders related to the Investment Advisers Act and the Investment Company Act. Among other conditions, entities must notify the Division staff and/or investors, as applicable, of the intent to rely on the relief, but generally no longer need to describe why they are relying on the order or estimate a date by which the required action will occur.
- Issued an order providing temporary conditional exemptive relief for business development companies (BDCs) to enable them to make additional investments in small and medium-sized businesses, including those with operations affected by COVID-19.
- Published two risk alerts outlining expectations for inspections of compliance with Regulation Best Interest and Form CRS, which go into effect on June 30, 2020. The SEC has stated that the deadlines “remain appropriate” as they are conduct and transparency initiatives that will benefit Main Street investors, especially in these times of uncertainty.
- Issued disclosure guidance providing the staff’s current views regarding disclosure and other securities law obligations that companies should consider with respect to COVID-19 and related business and market disruptions.
- Announced temporary flexibility for registered funds to borrow funds from certain affiliates and to enter into certain other lending arrangements to address recent market events.
- Issued a temporary final rule that provides relief from the Form ID notarization requirement from March 26, 2020 through July 1, 2020, subject to certain conditions and for certain filers, and extends the filing deadlines for specified reports and forms due pursuant to Regulation Crowdfunding and Regulation A for certain issuers.
- Issued a temporary conditional exemptive order that provides, subject to certain conditions, affected municipal advisors with an additional 45 days to file annual updates to Form MA that would have otherwise been due between March 26, 2020 and June 30, 2020. Among other conditions, the municipal advisor must be unable to meet the filing deadline for its annual update to Form MA due to circumstances related to current or potential effects of COVID-19 and must provide a brief description of the reasons why it could not timely file

The CFTC:

- Issued targeted, temporary no-action relief to foreign affiliates of certain futures commission merchants; the relief expires on September 30, 2020.
- Voted to extend the comment period on multiple rule proposals to provide participants additional time and flexibility. Links to the extensions are available [here](#).

FINRA:

- Announced that it will take the same approach as set forth in the SEC Risk Alerts when FINRA examines broker-dealers and their associated persons for compliance with Regulation Best Interest and Form CRS. In addition FINRA published highlights of firm practices it observed when conducting preparedness reviews for Regulation Best Interest.
- Proposed a rule change to address brokers with a significant history of misconduct.

State Insurance Regulatory Actions

A growing number of state insurance regulators have requested or required insurers to extend the time for premium payment and to not cancel or non-renew policies during the crisis. For example:

- California and Georgia have requested all insurance companies provide insureds with “at least a 60-day grace period” to pay insurance premiums so the policies are not cancelled for non-payment. Maryland issued a bulletin encouraging all insurers to make reasonable accommodations to individuals and businesses so they do not lose coverage due to non-payment of premium during the crisis. Other states like Massachusetts, Missouri, Tennessee and Wisconsin have issued directives requesting insurers to work with consumers on premium extensions and deferrals.
- New York has required issuers of life insurance and annuity contracts, property and casualty insurers and premium finance agencies to provide relief to New York consumers and businesses experiencing financial hardship due to COVID-19. Consumers experiencing financial hardship due to COVID-19 may defer paying life insurance premiums for ninety (90) days. Consumers and small businesses experiencing financial hardship due to COVID-19 may defer paying premiums for property and casualty insurance for sixty (60) days.
- Expanding auto insurance to cover restaurant deliveries using personal vehicles
- Calling on insurers to provide auto policy holders with partial rebates or discounts amid the sudden decline in driving.



Other measures and sources

Expansion of Credit Availability

In its capacity as the central bank, the Federal Reserve Board (FRB) in conjunction with the Department of the Treasury:

— **Announced new credit facilities, including:**

- The Paycheck Protection Program Liquidity Facility (PPPLF) to “bolster the effectiveness” of the SBA’s Paycheck Protection Program (PPP). The PPPLF is intended to supply liquidity to participating financial institutions through term financing backed by PPP loans.
- The Main Street Lending Program, which consists of two separate facilities – the Main Street New Loan Facility (MSNLF) and the Main Street Expanded Loan Facility (MSELF). Eligible borrowers include U.S. businesses with not more than 10,000 employees or with 2019 revenues of \$2.5 billion or less. Eligible firms seeking Main Street loans must commit to maintain payroll and follow compensation, stock repurchase, and dividend restrictions that apply to direct loan programs under the CARES Act. Eligible banks may originate new Main Street loans or use Main Street loans to increase the size of existing loans to businesses. The minimum loan size is \$1 million; banks must retain a 5 percent share.
- Eligible borrowers in the MSELF may not also participate in the MSNLF or the Primary Market Corporate Credit Facility. However, firms that participate in the PPP may also take out Main Street loans. (Treasury will provide \$75 billion to the two Main Street facilities combined.)
- The Municipal Liquidity Facility (MLF) is intended to help States and certain municipalities manage their cash flows (which may be strained by providing essential services in response to the COVID-19 pandemic while tax receipts are delayed by the deferred tax date and businesses are closed by the “stay-at-home” guidelines.) The MLF will purchase eligible notes at the time of issuance. Eligible notes include tax anticipation notes, tax and revenue anticipation notes, and bond anticipation notes with terms of no more than 24 months. (Treasury’s initial equity investment in the MLF will be \$35 billion.)

- Expanded, in size and scope, the Primary Market Corporate Credit Facility (PMCCF) and the Secondary Market Corporate Credit Facility (SMCCF), which will be used to purchase corporate debt, as well as the Term Asset-Backed Securities Loan Facility (TALF), which will now accept “highly rated newly issued collateralized loan obligations and legacy commercial mortgage-backed securities as eligible collateral.” (Treasury will invest a total of \$85 billion in these facilities.)

- Opened the registration process and announced the launch of the Commercial Paper Funding Facility (CPFF). The CPFF will provide a liquidity backstop to U.S. issuers of commercial paper through a special purpose vehicle that will purchase eligible three-month unsecured commercial paper and asset-backed commercial paper from eligible issuers using financing provided by the Federal Reserve Bank of New York.

Concurrently, there is growing attention focused on the risk that mortgage servicers may not be able to meet obligations to their investors in the wake of an increase in forbearance requests by borrowers, as permitted by the CARES Act. None of the current FRB credit facilities is directed toward mortgage servicers. The FHFA has stated that Fannie Mae and Freddie Mac will not provide a liquidity facility to the servicers of their loans, while Ginnie Mae has announced an assistance program.

— **Current debates in Congress**

- The popularity of the SBA’s Paycheck Protection Program has spurred members of the House Financial Services Committee majority to publicize a letter they sent to several large financial institutions seeking periodic updates on the banks’ implementation of the PPP and other pandemic efforts, including information on the number of applications they receive, how they prioritize processing those applications, the number of applications approved, any conditions tied to a loan approval, and the types of assistance beyond funds being provided to applicants.
- A bipartisan group of Senators has asked the Financial Stability Oversight Council to provide temporary liquidity to struggling mortgage servicers, noting the funds made available to Treasury’s Exchange Stabilization Fund through the CARES Act.



Other measures and sources (continued)

Securities and Exchange Commission

The SEC announced various actions to provide temporary regulatory relief to market participants in response to COVID-19. The actions involve parties needing to gain access to make filings on the EDGAR system, certain company filing obligations under Regulation A and Regulation Crowdfunding and a filing requirement for municipal advisors.

- Temporary Final Rule -- Relief for Form ID Filers and Regulation Crowdfunding and Regulation A Issuers (<https://www.sec.gov/rules/interim/2020/33-10768.pdf>)
- Order -- Muni Advisors from Various Sections of the Exchange Act and Rule 15Ba1-5(a)(1) (<https://www.sec.gov/rules/exorders/2020/34-88491.pdf>)
- Press Release (<https://www.sec.gov/news/press-release/2020-74>)
- Corp Fin Disclosure Guidance for COVID-19 (<https://www.sec.gov/corpfin/coronavirus-covid-19>)
- IM Staff No Action Letter Affiliated Purchasers of Debt Securities (<https://www.sec.gov/investment/investment-company-institute-032620-17a>)
- General SEC COVID-19 Information Page (<https://www.sec.gov/sec-coronavirus-covid-19-response>)

Nasdaq

- Nasdaq has posted guidance on the Nasdaq Trader website. <http://www.nasdaqtrader.com/>. Note the first banner with the Covid-19 Information label at the top of the website.
- Nasdaq typically issues notices specific to equities or options, I understand that Nasdaq will push out COVID-19 notices through those channels.

FINRA

- Info Notice: Cybersecurity Alert: Measures to Consider as Firms Respond to the Coronavirus Pandemic (COVID-19) (<https://www.finra.org/rules-guidance/notices/information-notice-032620>)
- FINRA COVID-19 Web Page (<https://www.finra.org/rules-guidance/key-topics/covid-19>)

Related KPMG Thought Leadership

- <https://advisory.kpmg.us/articles/2020/cares-act.html>
- https://advisory.kpmg.us/articles/2020/reg-expectations-response-to-covid-19.html?utm_source=clientoft_reginsightscovid19email&utm_medium=email&mid=m-00006231&utm_campaign=c-00086021&cid=c-00086021
- https://advisory.kpmg.us/articles/2020/reg-expectations-response-to-covid-19.html?utm_source=clientoft_reginsightscovid19email&utm_medium=email&mid=m-00006231&utm_campaign=c-00086021&cid=c-00086021
- <https://www.irs.gov/newsroom/irs-extends-more-tax-deadlines-to-cover-individuals-trusts-estates-corporations-and-others>



United States of America (12/12)

As of 22 April 2020

Customs Measures	Other measures and sources
<p>Section 301 - Exclusions</p> <ul style="list-style-type: none"> Temporary exclusion of certain products from the additional duty of 7.5% - 25% on Chinese origin goods on a rolling basis <p>Section 301 – Medical Goods</p> <ul style="list-style-type: none"> Comments requesting exclusions from Section 301 Tariffs on imports from China for medically necessary goods available until June 25. The comment period will remain open until June 25 and the USTR stated it will review comments on a rolling basis; however, trade and customs professionals expect that the USTR will not wait for the comment period to close before making determinations. The USTR's action may provide an opportunity for companies in the life-science sector to obtain tariff relief from Section 301 customs duties. The notice indicates that relief is not dependent on imports of finished goods—components will also be considered for an exclusion. Increased Section 301 exclusions for medical products <p>Customs clearance</p> <ul style="list-style-type: none"> Increased flexibility for in-bond time frames <p>Export</p> <ul style="list-style-type: none"> Restrictions on exportation of certain Personal Protective Equipment (PPE) under the Defense Production Act including: <ul style="list-style-type: none"> N95 filtering facepiece respirators, Other filtering facepiece respirators, Elastomeric, air-purifying respirators and filters/cartridges, PPE surgical masks, PPE gloves or surgical gloves Customs and Border Protection ("CBP") will detain all shipments of these products and the Federal Emergency Management Agency will assess if the goods will be returned for domestic use, issued a rated order, or allow the shipment of part or all of the product. There is no required time frame in which FEMA must make this decision. Under certain narrow circumstances, an exporter may be exempt from the Temporary Final Rule. This rule will cease to be in effect 120 days after publication in the Federal Register. 	<p>Main sources of information</p> <ul style="list-style-type: none"> United States Trade Representative, Docket USTR-2020-0014 United States Trade Representative, various Federal Register Notices Trade Operations Director, Port of Laredo



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Argentina (1/2)

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As of 22 April 2020

<div>General Information</div>	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 31 st . 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.		
<div>Tax measures – Direct and Indirect <i>(e.g. payment deferrals, rate reductions...)</i></div>	<div>Employment-related measures <i>(e.g. state compensation schemes, training...)</i></div>	<div>Economic stimulus measures <i>(e.g. loans, moratorium on debt repayments...)</i></div>	
<div><div><div>— Decreto 300 sets forth the following tax relief measures for companies that are employers and that provide healthcare-related services:</div><div><div>— 95% reduction of employer contributions to the social security system</div><div>— 59% reduction of the bank credit tax</div><div>— 17% reduction of the bank debt tax</div></div></div><div>The measures in the decree are valid for 90 days from the date of publication in the official gazette, 20 March 2020. Resolución AFIP 4694 redesigns procedures and systems which become mandatory to enjoy these benefits.</div></div>	<div><div><div>— Labor license for vulnerable populations including people over 60.</div><div>— Decreto 332 creates the Emergency Assistance Program for Jobs and Production with these benefits: a) Postponement of the payment of employer contributions to the Argentine Integrated Social Security System (SIPA); b) Reduction of up to 95% of the payment of employer contributions destined to SIPA; c) The National Social Security Administration (ANSeS) will cover part of the wages. Among the requirements to access this help we can mention: i) economic activities critically affected ii) significant percentage of employees who cannot provide services ii) there is a substantial reduction in sales after March 20th, 2020.</div><div>— By Resolución AFIP 4693/2000, employers included in the activities published by the AFIP (basically all those not considered essential) and who register will enjoy an automatic postponement of March employer’s contributions to mid-June. Other benefits to these and other employers will depend on the decision of a Committee created under the Emergency Assistance Program for Jobs and Production.</div></div></div>	<div><div><div>— 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.</div><div>— Expansion of Ahora 12 program which provides incentives for consumption of national products, including through online platforms.</div></div></div>	



Custom Measures	Other measures and sources
<p>Duty relief</p> <ul style="list-style-type: none"> — A 0% import duty rate has been established for several goods (e.g. personal protection equipment, medical equipment and tools, etc.). — The imports of such goods are exempted from the application of the statistics fee. <p>Other measures</p> <ul style="list-style-type: none"> — By means of Decree Nbr. 297/2020, the President established a measure of "social preventive and mandatory isolation", aimed at protecting public health. Among other activities, pressing and essential activities related to international trade are exempted of such measures. — However, as a consequence of such measure, Customs is currently handling essential import and export operations and verifications with reduced staff and shifts. — The above referenced exemption was extended to the following activities related with international trade: exports of products already elaborated, and imports deemed to be essential for the functioning of the economy. 	<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</p> <ul style="list-style-type: none"> — 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

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As of 22 April 2020

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.
- The taxpayer must pay 50% or more of the amount of the corporate income tax (Utilidades de las Empleado–IUE) for the tax period 2019, as self-determined and reported on the tax return, by 1 June 2020. There are provisions allowing income tax to be paid in three installments, without incurring interest or requiring a warranty for payment, and concerning administrative approval requirements.

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.
- Relief is provided to certain taxpayers with regard to their transactions tax liability

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.

Social Security Contributions

Suspension of requirements relating to salary, wages and work-related accident payroll (under the control of the Ministry of Labor) from March 2020

- Deferral of the monthly salary, wages and work-accident payrolls (also under the control of the Ministry of Labor) for March and April 2020, until 30 May 2020
- Extension of the time limits for remitting long-term social security contributions (under the control of the pension funds administrators) that are due during the “lockdown” quarantine period
- Extension of the time limits for remitting short-term social security contributions (under the control of the national health fund) due for February 2020, until 20 April 2020.

Deductibility of donations

- There are measures allowing for the deduction of certain donations made to entities engaged in the treatment of patients with COVID-19 disease



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>

**CONTACTS:****Tax:** Rodrigo La Rosa rodrigolarosa@kpmg.com.br**Restructuring:** Alan Riddell – ariddell@kpmg.com.br**Head of Deal Advisory:** Marco André Almeida - MAAlmeida@kpmg.com.br**As of 22 April 2020****General Information**

The Minister of Economy, Paulo Guedes, announced in March 26th that the economic stimulus package, closed by the Ministry of Economy, Public Banks and the Central Bank will be US\$ 150 billion (R\$ 750 billion), to face the economic impacts of COVID-19 in Brazil.

The volume of funds includes the following measures: a) loosening of the fiscal target above the previously forecasted deficit of US\$ 24.8 billion; b) support for the most vulnerable population, with anticipation of the 13th salary (US\$ 9.2 billion) and salary allowance (US\$ 2.5 billion), transfer of PIS / PASEP to FGTS (US\$ 4.3 billion) and reinforcement of Bolsa Familia (US\$ 620 million); c) relaxation of labor laws to maintain jobs; d) aid for informal and self-employed workers (US\$ 8 billion); e) extension of payment of taxes, FGTS and contributions reduction (US\$ 6 billion); f) financial support to states (US\$ 17.5 billion); g) financial support to the airline industry; h) expansion of liquidity in the markets, with the release of US\$ 40 billion in compulsory deposits; i) support from BNDES and public banks (BNDES: US\$ 11 billion + Caixa: US\$ 15 billion + Banco do Brazil: US\$ 25 billion); j) support for small and medium-size companies (US\$ 8 billion); k) postponement of readjustment of pharmaceuticals products

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. Postponement has been implemented for "small family owned companies".
- On 26 March, the Federal Government zeroed import tariffs on pharmaceutical and medical-hospital products used to fight the new coronavirus and adopted a measure to facilitate the import of disposable syringes and plastic tubes for blood collection.
- Excise Tax rates (IPI) levied on products considered essential for the current global moment with the presence of COVID-19, were reduced to zero (0%), by the Federal Government.
- The Chamber of Foreign Trade published a resolution reducing to zero (0%), until September 30, the Import Tax rate of several goods to be used in the fight against COVID-19.
- The Attorney General's Office of the National Treasury suspended, for 90 days, the taxpayers' defense term in the administrative proceedings regarding charges of debts posted in the federal debt roster, as well as authorizing transactions by adhesion regarding debts posted in the federal debt roster.
- The Administrative Council for Tax Appeals (CARF) suspended, until 04/30/2020, the deadlines for the practice of procedural acts in administrative proceedings within its jurisdiction.
- The Attorney General's Office of the National Treasury suspended, for 90 days, the deadlines and charges concerning tax debts within its jurisdiction.
- The São Paulo City Council suspended, in administrative processes and procedures, all regulated and legal deadlines, for 30 (thirty) days, without prejudice to any extension.
- The Rio de Janeiro City Council suspended the terms established by tax legislation concerning the filing of objections and administrative appeals, as well as compliance with administrative requirements and cancellation of municipal registration or exclusion of all service activities from the activity registry economic. In addition, it extended for 60 (sixty) days the validity periods of the certificates which expired sixty days before the date of publication of this Decree.
- Social contributions due by employers and domestic employers related to March and April 2020 should be paid in August and October 2020, respectively.
- The terms for collecting PIS/PASEP and COFINS contributions regarding March and April 2020 were postponed to August and October 2020, respectively. The same applies to social security tax due on payroll.
- The Joint Resolution of SFP / PGE - 1, extends the term of validity of Positive Tax Certificates with Effects of Negative issued by SEFAZ / PGE.
- It also reinforces that service to the general public in state public departments is restricted to emergency cases, due to the Covid-19 pandemic.
- The Government included the contributions due by rural producers, individuals and companies and agroindustry, as well as the social security due on revenues (CPRB), in the list of social security contributions that had the payment date postponed from March and April 2020 to August and October 2020.



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

- The President of São Paulo State Court of Taxes determined the interruption of procedural deadlines, due to temporary and emergency measures to prevent contamination by COVID-19, resolving through TIT Act nº 3:
 - Interrupt, from March 23, 2020 to April 30, 2020, the procedural deadlines related to processes and physical files pending in this Court and subordinate units, as well as the procedural deadlines related to the processes governed by Decree 54.714 / 2009;
 - Clarify that the cases not regulated by the previous item will not have their deadlines interrupted or suspended, as provided in item III of Act TIT 02/2020.
- Decree 10.305/20 reduces to zero the tax on financial transactions daily rate (0.0041% or 0.0082% per day) and its complementary rate (0.38%) levied on credit transactions carried out by individuals and legal entities.
 - The change takes effect for transactions contracted from 03/04/20 to 03/07/20.
 - The reduced rate will also be applied, during the same period, in case of credit transaction's extension, renewal, novation, consolidation, debt confession and other similar transactions, as well as for transactions in default whose taxation has not reached the maximum tax rate of 1.5%.
- The Brazilian IRS extended the deadline of Individual's Income Tax Declaration (DIRPF) related to the calendar year 2019 to June 2020. It was established that, in case the taxpayer opts for prompt payment or payment in installments automatically debited from a bank account, mentioned tax declaration must be submitted:
 - until 06/10/2020, for a unique quote or 1st quota; and
 - between 11/06/2020 and 30/06/2020, from the 2nd quota.
- The Normative Instruction 1.924/20 also revoked the obligation of submitting in Individual's Income Tax Declaration the number of the receipt from the last declaration submitted.
- The normative instruction 1932/20 extends the deadline for filing the Declaration of Federal Tax Debts and Credits (DCTF) and the Digital Tax Bookkeeping of the Contribution to PIS / PASEP, the Contribution for the Financing of Social Security (COFINS) and the Social Security Contribution on Revenue (EFD – Contribution). In this sense, the DCTF and EFD originally scheduled to be remitted to tax authorities in the months of April, May and June, should now be filed by July 2020.
The mentioned DCTF and EFD for the months of April, May and June correspond, respectively, to the calculations for the months of February, March and April, since its deadline for delivery to tax authorities is the 2nd following month.
- Ordinance of the Ministry of Economy nº139 and nº150 postponed the term for collecting the following federal taxes, due to the COVID-19 pandemic.
 - Social contributions due by employers and domestic employers related to March and April, 2020 should be paid in August and October, 2020, respectively.
 - PIS/PASEP and COFINS contributions regarding March and April, 2020 were also postponed to August and October, 2020, respectively.

The government estimates that R\$ 80 billion will remain in the companies' cash.

- On 14 April, the President signed a law that encourages the renegotiation of tax debts with the Union. The text regulates the so-called tax transaction, a legal tool provided for in the National Tax Code (CTN), with the purpose of ending or preventing deadlocks by granting concessions to the parties involved. The law determines the following types of transactions:
 - in the collection of credits registered in the active debt of the Union, of its autarchies and public foundations, or whose collection is the competence of the Attorney General's Office;
 - in other cases of judicial or administrative tax litigation;
 - small tax litigation.



Employment-related measures

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

- On 23 March, the Federal Government published a Provisional Measure (MP) that alters a series of labor regulations during the pandemic with the aim of preserving helping companies and preserving jobs. The MP establishes that individual agreements will take precedence over other legal and business instruments, and provides for the possibility of:
 - adoption of telecommuting (remote working, such as home office);
 - anticipation of individual vacation and collective vacation concession, with notice to the worker up to 48 hours before;
 - use and anticipation of holidays;
 - special hours compensation scheme in the future in case of interruption of working hours;
 - suspension of administrative requirements for safety and health at work.
- On 30 March, the Brazilian Senate approved a bill that provides for the granting of emergency aid of US\$ 116 (R\$ 600) to informal workers and US\$ 232 (R\$ 1,200) to mothers responsible for supporting the family. The impact of the aid is expected to be US\$ 8.5 billion (R\$ 44 billion) during the period in which the measure is in force, according to members of the economic team
- The provisional measure 932/20 reduces, until 06/30/2020, the rates of contributions to autonomous social services. The reductions were different for each entity that belongs to autonomous social services, varying from 0.05% to 1.25%.
- Provisional Measure 936/20 establishes complementary measures with the purpose of maintaining employment and income, during the state of public calamity resulting from the coronavirus (COVID-19). Among the provisions, the following should be highlighted:
 - the payment of an Emergency Job and Income Preservation Benefit;
 - the proportional reduction of working hours and wages; and
 - temporary suspension of the employment contract.
- The Emergency Employment and Income Preservation Benefit will be paid for with Federal resources, in the event of proportional reduction of working hours and wages and temporary suspension of the employment contract. The agreement for proportional reduction of working hours and wages may be up to 90 days, subject to the following requirements:
 - preserving the value of the hourly wage of work;
 - the individual written agreement between employer and employee, made 2 days in advance; and
 - reduction of working hours exclusively in the percentages of 25%, 50% or 70%.
- If the temporary suspension of the employments is disregarded, the employer will be subject to the immediate payment of remuneration and social charges for the entire period, plus the penalties established in the legislation and the sanctions determined by the agreement or union agreement.
- Service Guarantee Fund – FGTS, labor obligation due by employers (indemnity fund), is suspended from March to May 2020. The suspended contributions may be paid in installments without the impact of monetary adjustments, fines, interests or other charges.
- The Provisional Measure 945/2020 deems port activities as essential services, granting port workers an specific emergency benefit and granting employers more flexible conditions to contract temporary workers despite any collective convention provision. The port companies are also granted tariff exemptions.
- 15 April. The Federal Government and its support base on congress, are supporting the increasing of people able to receive emergency employment aid. Under this project, the emergency aid will be extended the benefit to teenage mothers; informal workers who, in 2018, had high incomes and were excluded from the original proposal; and doubles the amount paid to single men who are heads of household. According to the economic area, the changes will cost US\$ 2 billions (R\$ 10 billion) more this year.



Economic stimulus measures

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

- PROGER/FAT: credit for Micro and Small Enterprises (USD 1 billion);
- Caixa Econômica Federal (CEF): The state-owned Federal Savings Bank will extend USD 14.9 billion in credit lines to small-and medium-sized enterprises 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.
- On 23 March, the Brazilian Central Bank announced new measures to inject resources into the financial system, which are part of a set of actions taken to minimize the effects of the coronavirus pandemic on the Brazilian economy. The measures for the financial market are:
 - Additional release of US\$ 13 billion in compulsory deposits, in addition to the amount of US\$ 26 billion announced in February
 - BC loan permission study to banks backed by Financial Letters (Letras Financeiras) of securitized credit portfolios (potential impact of US\$ 129 billion)
 - Flexibilization of the rules of the LCA (Financial Letter for Agribusiness), giving more freedom to the institutions to define the destination of the funds raised with this role
 - Provisional repurchase of foreign debt securities
 - New Time Deposit with Special Guarantees (NDPGE) for bank borrowings
 - Loan backed by debentures (corporate debt security)
- On 23 March, the government presented a plan of R\$ 88.2 billion for states and municipalities to cope with the health demands and economic impacts of the coronavirus. The package measures include:
 - Transfer of US\$ 1.5 billion to health expenses
 - Transfer of US\$ 387 million to social assistance expenses
 - Recompositing in the amount of US\$ 3.1 billion for the State Participation Fund (FPE) and Municipal Participation Fund (FPM)
 - Suspension of the debts of the states to the Union (US\$ 2.4 billion)
 - Renegotiation of state and municipal debt with banks (US\$ 1.8 billion)
 - Loan facilitation operations, in the amount of US\$ 7.7 billion



Economic stimulus measures (continued)

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

- On 26 March, the National Monetary Council (CMN) authorized the permission for the transfer of funds from the National Bank for Social Development (BNDES) to SMEs with through financial service technology companies, the so-called "fintechs".
- On 26 March, Caixa Econômica Federal (Federal Savings Bank) announces further reductions in interest rates on overdraft and credit card instalment fees will be 2.9% per month, from the previous 4.9% per month. Caixa also announced an increase from 60 to 90 days in the pause period for loan agreements for individuals and companies, including housing contracts.
- On 27 March, the Brazilian Federal Government (Ministry of Economy, BNDES, Caixa and Bank of Brazil) announced an emergency credit line for SMEs to finance salaries for a period of two months. The program will make available a maximum of US\$ 3.8 billion/month, with an overall stimulus package of US\$ 7.7 billion in two months. Also according to the Ministry of Economy:
 - Financing will be available to companies with revenues between US\$ 70 thousand and US\$ 1.9 million per year;
 - Money will be exclusive for payroll;
 - The company will have a 6-month grace period and 36 months to repay the loan;
 - Interest will be 3.75% per year.
- In addition, companies that hire this credit line will not be able to fire employees for a period of two months.
- On 29 March, BNDES (Brazil's Development Bank) announced two support measures for the airlines and healthcare industry:
 - Financial support for airlines: through a system that involves convertible debentures and can contribute capital to these companies through the purchase of shares to sustain their operations through the pandemic.
 - New credit line for the healthcare & life science manufactures to produce 15 thousand ventilators, 5 thousand health monitors, 80 million medical masks and 3 thousand new ICU units
- On 29 March, Paulo Guedes, Brazil's Minister of Economy defended an emergency law approval to make Fiscal Responsibility Law more flexible during a meeting with the National Front of Mayors.
- The government and Congress are discussing the creation of a new management tool for the volume of money in circulation in the economy, as it seeks to control the interest rate. The proposal allows banks to voluntarily transfer funds to the Central Bank (BC), in the form of demand or time deposits. With this, the financial institution that has excess cash will be able to deposit a part in the BC.
- Service Guarantee Fund – FGTS, labor obligation due by employers (indemnity fund), is suspended from March to May 2020. The suspended contributions may be paid in installments without the impact of monetary adjustments, fines, interests or other charges.
- On 02 March, the Minister of Tourism, Marcelo Álvaro Antônio, announced lines of credit to serve businesspeople in the tourism sector, which is strongly impacted by the new coronavirus pandemic. Credit lines will be offered by public banks such as BNDES and Caixa Econômica Federal. The project awaits new regulatory frameworks
- On 06 April, the National Monetary Council authorized that banks participating in the companies' payroll financing program, a measure launched by the government to mitigate the effects of the new coronavirus crisis, could reduce the value of loans in compulsory term deposits. The measure will take effect as of the next 20th. The volume that can be deducted may reach R\$ 6 billion, about 5% of the current amount of the reserve requirement on time deposits.
- Also on 06 April, the National Monetary Council authorized that temporarily prohibited the distribution of profits and increased remuneration for bank and other financial institutions. The objective is to prevent important resources for maintaining credit from being used in other expenses in the midst of the Covid-19 pandemic.
- On 08 April, Brazil's Ministry of Agriculture announced a US\$ 100 million (R\$ 500 million) relief plan for small agricultural producers and family owned farms.
- On 08 April, the Minister of Economy, Paulo Guedes, announced that Brazil's Treasury is preparing a new financing relief plan for Small and Medium Enterprises (SMEs) with yearly revenues up to US\$ 72 thousand (R\$ 360 thousand)/year. The Ministry estimates a relief plan of US\$ 2 billion (R\$ 10 billion), which will be deployed with the support from SEBRAE (Brazilian Micro and Small Businesses Support Service).



Economic stimulus measures (continued)

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

- Also on 08 April, the Federal Government extinguished the PIS-Pasep (Social Integration Program and the Civil Servant Heritage Training Program) and released the withdrawal of US\$ 200 (R\$ 1.045) on account of the FGTS (Guarantee Fund for Time of Service) as of June 15. From June 15 to December 31, the withdrawal of up to US\$ 200 (R\$ 1.045) per worker is available due to facing the state of public calamity and the public health emergency of international importance resulting from the coronavirus pandemic.
- On 15 April, The Supreme Federal Court ruled that, in addition to the federal government, state and municipal governments have the power to determine rules for isolation, quarantine and restriction of transport and transit on highways due to the coronavirus epidemic.
- On 15 April, the Federal Government asked the Congress for permission to more than double the deficit forecast of public accounts in 2021. The figures are included in the draft Budget Guidelines Law, presented on Wednesday (15). In the text, the Ministry of Economy asks for permission for a primary deficit of U\$ 30 billion (R\$ 149.6 billion) in 2021, about 1.86% of the Gross Domestic Product (GDP).
- On 15 April, the Federal Court granted an injunction prohibiting the institutions of the National Financial System from taking measures to increase the interest rate or intensify the requirements for the granting of credit. According to the Federal Court, due to the global pandemic caused by Covid-19, the Brazilian economy was severely affected, which led the Central Bank of Brazil to adopt measures such as the release of banks' cash flow. However, the lawsuit says, banks do not use this asset release to make more credit available to the domestic market.
- On 16 April, the Brazilian Federal Government is working together with private banks, investment funds and the BNDES (National Bank for Economic and Social Development) a relief plan of at least R \$ 48 billion to large companies affected by the coronavirus crisis as Airlines, energy companies and large retailers. Under this plan, debt-convertible instruments will be offered to companies that are publicly traded on the stock exchange.



As of 22 April 2020

Other measures and sources

- Government postpones pharmaceutical drugs readjustment for two months amid the coronavirus pandemic.
- The government published on Tuesday (31) a PM (provisional measure) that reduces by 50% the contributions to be paid by companies to entities in the S System by the end of June.
- On 31 March, the president of the STF (Supreme Federal Court), Dias Toffoli, prepared a bill taken by the Senate to suspend everything from the payment of rents to the return of goods purchased over the internet during the coronavirus pandemic.
- The Foreign Trade Secretariat published a decree creating the Special Export License for Combat Products from COVID-19, which must be presented for the completion of exports in the case of the products deemed essential to combat the COVID-19.
- The Ministry of Science and Technology signed an agreement with five major telecommunications operators to obtain information from anonymized data from cell phones and monitor agglomerations during the coronavirus pandemic.
- On 01 April, the board of the National Agency of Petroleum, Natural Gas and Biofuels (ANP) approved the temporary suspension of the 17th Bidding Round for areas for exploration and production of oil and gas, under the concession regime, initially foreseen for this year.
- Corporations may, exceptionally, postpone their annual general meeting for seven months counting from the end of its fiscal year. Exceptionally during the year of 2020, the Securities and Exchange Commission (CVM) may extend the deadlines for publicly held companies to present the financial statements.
- ANATEL (National Telecommunications Agency), which took over a claim from the companies and suggested to the government the creation of a monthly voucher so that customers with a lower purchasing power can maintain their cell phone accounts. The proposal is for this monthly voucher to be R \$ 30, effective for the next three months, and to be funded with funds from FISTEL (Telecommunications Inspection Fund).
- ANEEL (National Electric Energy Agency) authorized the transfer of US\$ 400 million (R\$ 2.022 billion) to guarantee liquidity to companies in the electricity sector during the crisis generated by the coronavirus pandemic. The funds will come from a reserve fund composed of charges charged to the electricity bill.
- On 15th April, the Brazilian Federal Government passed a Provisional Measure (MP nº951) which amends Law No. 13,979 and disposes the following administrative measures to support COVID-19 fighting efforts:
 - Enables the use of the price registration system in the event of waiver of bidding for the acquisition of goods, services and inputs intended to face the public health emergency arising from the coronavirus, when whether it is a purchase or contract by more than one body or entity.
 - Authorizes the federative entity to choose to apply the federal regulation on price registration, if there is no specific regulation.
 - Establishes that it is up to the Registration Authorities of the Brazilian Public Key Infrastructure - ICP-Brasil, entities operationally linked to a certain Certification Authority, to identify and register users, forward certificate requests to the CAs and keep records of their operations.
- On 15 April, the External Financing Commission (COFLEX), coordinated by the Special Secretariat for Foreign Trade and International Affairs of the Ministry of Economy, streamlined procedures for the evaluation and authorization of public sector projects and programs.
 - The objective is to accelerate the release of resources from international organizations such as the World Bank, New Development Bank, Inter-American Development Bank (IDB), Latin American Development Bank (CAF) and others. This measure supports actions by municipalities, states and the Federal District aimed at preventing and combating the new coronavirus and its economic effects.
 - Under this streamlined process, COFLEX will resolve within ten days on each claim received. In addition, analysis criteria have been simplified, which for now will stick to the Payment Capacity and a technical analysis.
- Regulatory Agencies of the Transportation Sector (ANTT, ANTAQ and ARTESP) relaxed the terms for complying with contractual and regulatory obligations due to the COVID-19 pandemic. Among the extended deadlines, there are authorizations and licenses for the transport of goods and passengers by road (ANTT), charter services in the State of São Paulo (ARTESP) and submission of financial statements by agents who have a lease, transition or ticket (ANTAQ).



Customs Measures		
<p>Duty relief</p> <ul style="list-style-type: none"> — Temporary reduction of the Tax on Industrialized Products (IPI) rates on the products mentioned in the Decree No. 10.285 of March 20, 2020 — Temporary reduction in the rate of the Import Tax under article 50, paragraph d, of the Treaty of Montevideo of 1980, internalized by Legislative Decree No. 66 of November 16, 1981, with the purpose of helping to prevent the Corona Virus / Covid-19 pandemic — Temporary reduction, to zero percent, of the rate of the Import Tax under Article 50, paragraph d, of the Treaty of Montevideo of 1980, internalized by Legislative Decree No. 66 of November 16, 1981, with the objective of helping to prevent the Corona Virus / Covid-19 pandemic <p>Customs clearance</p> <ul style="list-style-type: none"> — Simplification and acceleration of the customs clearance of imported goods destined to combat Covid-19. The measure is focused on keeping a fast flow of goods, commodities and raw materials to combat the pandemic, as well as speeding up the delivery of cargos. In addition, includes imports promoted by certified importers in the modality AEO (Authorized Economic Operator) in a more simplified import procedure — Changes the SRF Normative Instruction No. 680/2006, which regulates the customs clearance of imports — Possibility of registration of Import Declaration, before the release of goods, in the jurisdictions of this Customs, for goods listed in Annex II of IN SRF No 680/2006, while the measures to combat the Coronavirus (Covid-19) 	<p>Export</p> <ul style="list-style-type: none"> — Changes Ordinance No. 19/2019, which provides for the issue of licenses, authorizations, certificates and other public export documents through the Single Foreign Trade Portal of the Integrated Foreign Trade System (Siscomex), to provide the Special Export License for Covid-19 Combat Products. — Prior authorization for the export of chloroquine and hydroxychloroquine, azithromycin and their salts intended for Covid-19 combat. — Ban on exports of medical, hospital and hygiene products essential to fighting the Coronavirus epidemic in Brazil. (Legislative Proposal, No. 668/20, pending) — The immediate release of the use of materials, medicines, equipment and supplies in the health area to assist in combating the pandemic of Covid-19 occurs, amending Law No. 6,360, of September 23, 1976 (Legislative Proposal No. 864/20, awaiting Federal Senate review) <p>Suspension of anti-dumping duties</p> <ul style="list-style-type: none"> — Temporary suspension of the anti-dumping duties on vacuum plastic tubes for blood collection and syringes (NCM 3822.00.90; 3926.90.40; 9018.39.99; 9018.31.11; 9018.31.19) imported from China, Germany, the United Kingdom and the United States <p>Other measures</p> <ul style="list-style-type: none"> — Facilitation, on an extraordinary and temporary basis, on the requirements for the fabrication, importation and acquisition of medical devices identified as a priority for use in health services, due to the international public health emergency related to SARS-CoV-2. — Reviews and consolidates the measures in response to the public health emergency in water transport and port facilities due to the coronavirus epidemic (COVID-19). 	<p>Main sources of information</p> <ul style="list-style-type: none"> — Government of Brazil: https://www.gov.br/pt-br — Ministry of Economy: https://www.gov.br/economia/pt-br — Ministry of Health: https://saude.gov.br/ — Ministry of Infrastructure: https://www.infraestrutura.gov.br/ — Ministry of Justice and Public Security: https://www.novo.justica.gov.br/ — Brazil's Central Bank: https://www.bcb.gov.br/ — Brazilian Senate: https://www12.senado.leg.br/hpsenado — Chamber of Deputies: https://www.camara.leg.br/ — BNDES: https://www.bndes.gov.br/ — Caixa Economica Federal: http://www.caixa.gov.br/ — Banco do Brasil (Bank of Brazil): https://www.bb.com.br — ANVISA: http://portal.anvisa.gov.br/ — ANTT: http://www.antt.gov.br/ — ANAC: https://www.anac.gov.br/ — ANTAQ: http://portal.antaq.gov.br/ — ANEEL: https://www.aneel.gov.br/ — ANP: http://www.anp.gov.br/

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

- 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.

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

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:

- 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.

Law in protection of employment:

- Suspension of working contract due to an authority mandate: If the government considers convenient to take extreme sanitary and safety measures which imply the paralysation or total stop of economic activities, individual employment contract must be suspended, unless exists an arrangement between both parts which stipulates that the employee may continue to offer services, which of course has to be written on a contract. In this case, the employer must continue providing their social security payment excluding solely occupational accidents. During this period of time employers can only decide to terminate contracts with their employees by cause of need of the company.
- Suspension arrangement of the working contract: When employers see their economic activities affected by the covid-19 crisis. They can arrange individually or collectively with their employers the partial suspension of the working contract. This pact follows the same effects than the suspension mention earlier.
- Temporary reduction of working hours: Employers can reduce with the approval of their employees the temporal reduction of legal working hours up to 50%, with the remaining salary covered by the pension security system.

Independent employers or entrepreneurs:

- Early return on income taxation: Anticipation of income tax returns to the month of April 2020 instead of May 2020.
- Return on tax retentions in January and February 2020

Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<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 <p>Additional support:</p> <ul style="list-style-type: none"> — “Compra ágil”, new website destined to speed up and help out the SMBs in their daily offer of services and supplies to public entities. — Banco Estado (National Bank) capitalization by US\$ 500 millions. This measure will increase the credit capacity of the Bank up to US\$ 4.400 millions which are aimed to mainly support citizens and SMBs. <p>Micro Business:</p> <ul style="list-style-type: none"> — Creation of a social fund holding US\$ 100 millions: In case of social emergency due to big drops in sales of the local micro business.. <p>Financing for entrepreneurs:</p> <ul style="list-style-type: none"> — US\$ 3.000 Millions on state guarantees contemplated for SMBs to have access to credits in order to finance working capital. This measure, contemplated in the second emergency plan announced by the government, consists in a state line of credit which will allow companies to finance credits up to US\$ 24.000 millions in total and will be available until September 30th 2020. 	<p>Security and protection:</p> <ul style="list-style-type: none"> — Employers must look after the safety of their employees, and employees in that matter are allowed to abandon their work places in protection and wellbeing of their life or health. Due to Covid 19 the employer has to inform about any associated risks, keep adequate hygiene conditions at the work place and provide the proper elements to prevent any contagion with the virus. <p>Medical License:</p> <ul style="list-style-type: none"> — In case that any employee is diagnosed with Covid 19, he or she must require medical license. Rights to provide services and therefore of regular remuneration are suspended. In consequence, public subsidy gets activated which consists in covering up payments related to the health care system in which the person is affiliated (ISAPRE or FONASA). <p>Home office:</p> <ul style="list-style-type: none"> — New regulation has been announced concerning “teleworking”, this allows employees to work from home and feel confident about their rights which have the same formal conditions contemplated in any normal context and as any other worker. A Covid 19 perspective has thought about the possibility of employers to cease remunerations consisting on mobility and lunch. <p>Protection for the most vulnerable:</p> <ul style="list-style-type: none"> — US\$ 2.000 millions destined to citizens who do not have formal employment, therefore do not have any unemployment insurance <p>Other measures</p> <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.

**CONTACTS:****Tax:** Ricardo A Ruiz – ricardoaruz@kpmg.com**Legal:** Zulay Pérez – zulayperez@kpmg.com**As of 22 April 2020****Updated****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

Accelerated refunds

A legislative regulation (10 April 2020) provides relief in the form of an expedited tax refund procedure as a response to the coronavirus (COVID-19) pandemic.

Taxpayers—for income tax and value added tax (VAT) purposes—that are not classified as having a “high tax risk profile” are eligible to obtain a tax refund or to offset the amount of the refund against other tax debts within 15 business days following the date when they file an application for the tax refund or for the tax offset. The tax refund procedure will be available during the course of the COVID-19 emergency. The tax payer shall decide either:

- Suspend the procedure and the terms of the refund compensation of the balance in favor until the Health Emergency remains in place
- Authorize the refund and automatic compensation of the respective balance in favor, informing the tax control area of each Sectional Directorate of the case. The competent area must initiate subsequent control over the return or compensation once the Health Emergency is overcome.

Extension of deadlines: submission of returns and information

- Once again, the date for submitting income and supplementary tax returns is modified for Major Taxpayers who must file the return for the 2019 taxable year between 9 and 24 June 2020 and for Legal Entities who will file the return between 1 June and 1 July of this year. The deadline for the payment in installments of the income tax surcharge was not modified.
- The deadline for the presentation and payment of the annual declaration of assets abroad was also modified. Major taxpayers must file it between 9 and 24 June and legal entities between 1 June and 1 July 2020.

Financial Movement Tax Exemption for Non-Profit Entities of the Special Tax Regime

- Transitorily, while the conditions that originated the Economic and Social Emergency persist, in order to reduce the tax burden and prior to the fulfillment of some requirements, the exemption from the Financial Movement Tax for non-profit entities belonging to the Special Tax Regime is established.



Tax measures – Direct and Indirect (e.g. payment deferrals, rate reductions...)	Employment-related measures (e.g. state compensation schemes, training...)	
<ul style="list-style-type: none"> — Transitorily, while the conditions that originated the Economic and Social Emergency persist, in order to reduce the tax burden and prior to the fulfillment of some requirements, the exemption from the Financial Movement Tax for non-profit entities belonging to the Special Tax Regime is established. <p>Gifts that are not considered as sales for VAT purposes</p> <ul style="list-style-type: none"> — Gifts of the following goods intended to avert the State of Emergency shall not be considered sales for VAT purposes, provided that the recipient of the gift is not financially linked to the donor: goods for human and animal consumption, clothing, toiletries, medicines for human use or building materials and medical devices. <p>The National Tax and Customs Directorate - DIAN, indicated the cases in which terms are not suspended in tax matters, such as:</p> <ul style="list-style-type: none"> — Compliance with the duties to file and pay the tax returns within the terms provided by the laws and regulations in force. — The processes of Refunds and/or Offsets that are requested through the Electronic Computer Service ("SIE" as per its acronym in Spanish) of Refunds and/or Offsets and the requests that are submitted to the electronic mailboxes authorized by the entity, and that are of the competence of the offices of the Revenue Management Directorate of DIAN. — The payment facilities requested through the authorized electronic mailboxes. — The management of judicial deposit titles. — Requests for disbursements requested through authorized electronic mailboxes. 	<p>Labor Policy</p> <ul style="list-style-type: none"> — 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. <p>Labor measurements</p> <p>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:</p> <ul style="list-style-type: none"> — 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. <p>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.</p> <p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> — By means of the Resolution 0876 the Ministry of Labor modified Resolution 0784 of 2020 and states the interruption of the expiration and prescription periods of the different processes carried out by the Ministry of Labor, except for the authorizations for collective dismissals and suspensions of activities of up to 120 days. The measures adopted will be enforceable up until the emergency is overcome. — By means of the Resolution 385 the Pension and Payroll Taxes Management Unit ("UGPP" as per its acronym in Spanish) suspended, during the health emergency, the terms of the administrative and collection processes carried out by this entity. — By means of the Circular Letter 0029 the Ministry of Health and Social Protection indicated that employers and contracting companies are responsible for providing their personnel with the protection elements associated with preventing COVID-19. The Occupational Risk Management entities ("ARL" as per its acronym in Spanish) must support employers and contracting companies in the supply of the elements exclusively for employees with direct exposure to COVID-19

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

Monetary Policy

- 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.

CORPORATE, REGULATORY AND CONSUMER PROTECTION LAW MEASURES

Measures for corporate matters

- As part of the measures that have been issued by the Superintendence of Companies in the context of the health emergency, and due to the extension of the Mandatory Preventive Isolation to contain Covid-19, the Superintendence of Companies made a determination to modify the deadline for the presentation of the financial statements reflecting the companies' exercise up to December 31, 2019.
- Thus, the presentation of financial statements scheduled to begin on April 14th, will begin from Wednesday April 29th to Thursday May 28th, depending on the last two digits of the company's NIT disregarding the verification number
- The consolidated financial statements and other reports required in Circular 201-000008 of 22 November 2019 maintain the original dates, as these are later dates.
- Although the deadlines are amended, companies must meet the same requirements set out in Circular No. 201-000008 of 22 November 2019

Terms resumption

- The Superintendence of Industry and Commerce (SIC as per its acronym in Spanish), by means of the Resolution No. 12169 Of 2020 ordered the suspension, starting April 1st, 2020 up until the sanitary emergency is overcome, of the terms of the and administrative proceedings ongoing before said authority.

CROSS-SECTIONAL MEASURES

Terms suspension regarding administrative actions

- At the date of publication of this newsletter, some entities, such as the General Control Office, the Financial Superintendence, the National Agency of Mining, the Ministry of the Interior, among others, had not changed the deadlines for the suspension of terms and administrative actions that we had previously. However, it is expected that for our next newsletter the dates initially indicated will be amended as of April 13, 2020, at least.

National Budget

- By means of Decree 522, the Ministry of Finance added the general budget of the Nation for the fiscal validity of this year and made its corresponding liquidation.
- This operation is carried out for the value of COP \$3,250,000,000,000, added to the budget of rents and capital resources, mainly to deal with the emergency and counteract the extent of its social and economic effects.

Court terms suspension

- By means of the Agreement PCSJA20-11532 issued by the Superior Council of the Judiciary, the suspension of judicial terms is extended up to April 26th, 2020. However, starting April 13th, the following terms will be resumed:
 1. Adoption procedures in cases where the claim has already been admitted.
 2. Protective measures in cases of domestic violence, where there is no family commissioner on the site.

NIT	Deadline
01-05	Wednesday, April 29 th
06-10	Thursday, April 30 th
11-15	Monday, May 4 th
16-20	Tuesday, May 5 th
21-25	Wednesday, May 6 th
26-30	Thursday, May 7 th
31-35	Friday, May 8 th
36-40	Monday, May 11 th
41-45	Tuesday, May 12 th
46-50	Wednesday, May 13 th
51-55	Thursday, May 14 th
56-60	Friday, May 15 th
61-65	Monday, May 18 th
66-70	Tuesday, May 19 th
71-75	Wednesday, May 20 th
76-80	Thursday, May 21 st
81-85	Friday, May 22 nd
86-90	Tuesday, May 26 th
91-95	Wednesday, May 27 th
96-00	Thursday, May 28 th



Other measures and sources

Trade restrictions

- Duque has closed Colombia's border in a bid to mitigate the spread of coronavirus, but that does not apply to cargo.

Immigration measurements

The following are the new measures taken by Colombian Immigration authorities:

- 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.

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.

Visas application abroad (consulates) will be unadmitted until further notice, only courtesy visas applications could be studied

Extension of deadlines: submission of returns and information

- 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

Exportation of goods

- The exportation and the re-exportation of some goods needed to cover the emergency related to the COVID-19 are prohibited during six months.

Administrative investigations and procedures before the customs authority

- 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.

Continuity measures during the isolation

- 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 presential 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-presential manner. The possibility of non-presential 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>

Customs Measures

Duty relief

- 0% of tariff rate applicable on the importation of some HTS codes related to medicines, medical equipment. The respective list of HTS codes has been generated
- A rate of 0% applied on the importation that will be done by Airlines in charge of the transportation of cargo or passengers. The respective list of HTS codes has been generated.

Customs procedures

- Priorization of procedures related to clearance process for AEO and importation of goods related to the prevention of COVID-19
- The commercial and industrial users of the Free Trade Zones (FTZ) will be able to operate outside of the FTZ area with the previous authorization of the Operator User. To take out the telecommunication equipment, users must use the transaction codes listed on the new regulation

Customs authorisations

- 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. The Global guarantees demands for this kind of users may also be extended

Deadlines suspension

- The terms of all the procedures and administrative actions involved on Customs matters are suspended
- The Financial intelligence entity of the country ("Unidad de información y Análisis Financiero – UIAF in Spanish), announced the suspension of terms on the foreign trade sector. This suspension doesn't implicate the exoneration of the obligation, hence, once the state of emergency is over, the agents must comply with the presentation of the correspondent information.

Export

- The exportation and the re-exportation of some specific goods under some HTS codes are prohibited.
- In order to regulate the prohibition of the exportation and re-exportation of goods needed to cover the state of emergency generated by COVID-19, the government has enlisted the goods subject of the prohibition.
- However, those who are interested on exporting these products must request the correspondent authorization from the Tax Authority, justify the reasons of the operation, and prove that the export will not affect the local market.
- These determinations will remain in force during six (6) months or more while the prohibition of exportation lasts.

Other measures

- Closure of all the international borders
- The Certificates applicable for Venezuela, Perú, Bolivia, Cuba, ALADI, MERCOSUR, Costa Rica, México, Chile, Ecuador and Pacific Alliance will be emitted on PDF format, with digital signature and digitized stamps. The others (European Union, EFTA, Panamá, CARICOM, ACE 59 and the form for third parties), shall be emitted in physical form, and delivered by appointment on the correspondent sectional of the customs authority.

Andean Price system

- The application of the Andean Price system ("Sistema Andino de Franja de Precios" in Spanish) will be suspended on the following products until the 30th of June of 2020 with a possible extension of three (3) more months:
 - Yellow corn (1005.90.11.00).
 - Sorghum (1007.90.00.00)
 - Soy (1201.90.00.00)
 - Soy cake (2304.00.00.00)
- The custom tax applicable to these products will be zero percent (0%).

Import

- During two (2) months, the importation of fuel alcohol will only be authorized to cover the deficit on the local supply, or when there's not enough supplement for the compliance on mixture percentages needed on the local gasoline oxygenation program

Terms Extension

- The Compliance Certificates issued by the Superintendence of Industry and Commerce that had their follow-up activity between March 12th and May 30th, 2020, will be automatically extended until June 30th, 2020.

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As of 22 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 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, during the sanitary emergency the country is facing.
- 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.

Tax moratorium on payments of income tax, VAT and customs tariffs has been introduced.

On March 29, 2020 additional Guidance regarding the tax relief measures were released.

Regarding VAT and selective consumption taxes:

- The tax relief applies for tax payments due in April, May, and June.
- If the amount of the tax declared for these months is paid in full by 31 December 2020 (whether paid in a single payment or in installments), no interest or late-payment penalties will be imposed.
- Taxpayers must still comply with the tax return or tax declaration requirements.

Regarding income tax:

- Taxpayers may forgo making partial payments corresponding to the months of April, May, and June without petitioning the tax administration, and no penalties will be assessed.

Costa Rica's tax authorities and tax court have suspended the ability of taxpayers to have "in-person" meetings or presentations.

- The executive decree (no. 42271-H) was amended with effect from April 14, 2020 to clarify that the VAT exemption for commercial leases (including leases of immovable or movable property) applies with regard to tangible or intangible goods.

**Employment-related measures***(e.g. state compensation schemes, training...)***Authorization to Reduce Workdays due to the National Emergency Declaration Act N° 9832**

In effect from 23 March 2020

- 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.

Economic stimulus measures*(e.g. loans, moratorium on debt repayments...)***Central Bank Approves Monetary and Credit Measures**

- 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.

Maximum Commissions of the Card System Act N° 9831“ Enacted

In effect from 21 March 2020

- 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.



Customs Measures	Other measures and sources
<p>Export</p> <ul style="list-style-type: none"> Costa Rica has imposed restrictions on exports of certain products in response to the coronavirus (COVID-19) pandemic. Export restrictions are imposed regarding the following products: <ul style="list-style-type: none"> Mono glasses N95 masks Disposable surgical masks Nitrile gloves Disposable robes The General Customs Administration has the authority to block exports of these products. However, exports of these products from companies located in "free trade zones" are excluded from the application of this measure. The export restriction applies as of 10 April 2020 and is to remain effective until the emergency decree is lifted. 	<p>Amendments to the Health Regulations for the Grant of Licenses and Disability to the Beneficiaries of Health Coverage. (In effect)</p> <ul style="list-style-type: none"> 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: <p>The Export of Medical Equipment Will be Placed Under Control</p> <ul style="list-style-type: none"> 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. <p>Main sources of information</p> <ul style="list-style-type: none"> Costa Rica: Updated on tax relief legislation, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tmf-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/tmf-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/tmf-costa-rica-tax-relief-includes-deferred-tax-payments-covid-19.html

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As of 22 April 2020

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.

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

- Ease of renewal for pending Road Tax, via the following link: www.dgii.gov.do/marbetes/.
- The validity period of the VAT exemption card for free trade zones is extended until June 30, 2020, for those with an expiration date of March 19, 2020.
- Digitalization, via the OFV, of IT-Form amendments for the months elapsed in 2019 and 2020.
- The expiration date of provisional vehicles license plates is extended until April 30, 2020, for those with an expiration date of March 19, 2020.
- After the approval of the Ministry of Finance, as of April 2nd and during the state of emergency, the following goods will be free of Tariffs and VAT: garments and clothing accessories (used exclusively in clinics and hospitals, including disposables), rubber surgery gloves, disposable gloves for use in medical exams and laboratories, non-woven fabric face masks, resuscitation respiratory machines.
- Ease measures aimed at expedited processing of imports of merchandise arriving as donations and other specific inputs intended to protect against COVID-19.
- Deferment of ISC on fuels and special contribution of liquefied petroleum gas for several fiscal weeks.

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 3:00 p.m. The Contact Center will also be available on Saturdays from 8:00 a.m. to 12:00 p.m. The OFV can be accessed 24/7; 2 emails for queries regarding the OFV have been enabled. Additionally, the DGII gave access to a remote service email per Local Administration, as well as access to the Single Portal for Requesting Access to Public Information (SAIP) for information requests.

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.



Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<p>Special regulatory treatment measures for the financial system:</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>Interest rate measures:</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>Liquidity provision measures to the financial system:</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>General Measures by Private Banks (varies per bank):</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 22 April 2020

General Information

A presidential decree was issued on March 16th establishing the state of emergency applicable in all the Ecuadorian territory. From such date onwards, several measures have been issued, as explained below:

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"> — The term for filing annual Corporate Income Tax returns (from April 10th to April 28th) and monthly VAT returns have not been modified. — However, the payment of the Corporate Income Tax for fiscal year 2019 and VAT for the months of April, May and June 2020 can be deferred in 6 instalments for the following taxpayers: <ul style="list-style-type: none"> - Small business - Entities with who are domiciled in Galapagos, for tax purposes - Airlines - Entities in the tourism sector (lodging and food & beverages) - Agricultural sector - Usual exporters of goods — A self-withholding Income Tax (IT) of 1,75% over monthly taxable income has been established for financial entities and entities that provide mobile phone services. An self-withholding IT of 1,5% over monthly taxable income has been established for entities that have subscribed exploration and exploitation of non-renewable resources and hydrocarbons agreements, entities that have subscribed specific work agreements, entities that provide complementary oil services and entities that transport crude oil. — The terms of all tax administrative processes and the statutes of limitation for collection actions are suspended from March 16th to March 31st (both days included). — For the compliance of other tax formal obligations, such as the filing of Tax Annexes, deadlines have been extended. 	<ul style="list-style-type: none"> — Superintendence of Banks: The collection of loans instalments has been postponed for 60 days regarding personal microcredits, as well as those granted to small companies, deferring them without charges, at the end of the originally agreed term. — Banks will offer refinancing solutions for the remaining debts, in accordance with the particular needs of each debtor. — Foreign Trade Committee: Temporarily apply a 0% tariff for imports for consumption of medical supplies, while the state of sanitary emergency is enforced. 	<ul style="list-style-type: none"> — Superintendence of Companies: Suspension of terms on all administrative, coercive, tax and prescription processes for collection action and, in general, all processes in charge of the aforementioned Superintendence. — Nacional National Court of Justice: Services are suspended, as of March 16th, for the duration of the sanitary emergency. The terms established by law for judicial processes are suspended. Said suspension shall not apply to cases of flagrant infractions. — Ministry of Energy and non-renewable resources: the term for the payment of mining conservation patents was extended, for 60 days counted from end of the state of emergency.



Employment-related measures

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

On-site workdays have been suspended for the public and private sector until April 5th.

The following work modalities have entered into force:

- **Reduction of workday:** The workday can be decreased up to 30 weekly hours from the regulated 40-hour working week. Such decrease shall be agreed between the employer and the employee and registered within the Ministry of Labor online registry. This measure can be applied over a 6-month period, renewable for a single period.
 - The employer shall pay wages considering the reduced schedule, however the employer's social security contribution would not be reduced.
 - If the employer wishes to distribute dividends obtained in the fiscal year on which the workday was reduced, the employer must pay the employees for the reduced working hours prior to the distribution of dividends to its shareholders.
- **Modification of workday:** During the state of emergency, the employer is able to modify the working day schedule, including working days on Saturdays and Sundays, considering the maximum working week duration of 40-hours per week, distributed among 5 working days. However, even if the working week is modified, the employee has the right to 2 uninterrupted rest days per week.
- **Suspension of the workday:** Applicable to all economic activities that due to their nature it is not possible to apply remote working measures (home office), the reduction or modification of their workday.
 - In such cases, the employer is able to notify the suspension of services to its employees. The suspension of the services does not imply that the employees are dismissed or that the work contract is terminated.
 - Working days that were missed due to the suspension of the services shall be recovered by the employees, once the emergency state ends. The employer shall determine the recovery schedule, up to 12 hours during the work week and up to 8 hours on Saturdays. During such recovery schedule no overtime charges apply.
 - Employees are obliged to recover the missed work days or to reimburse to the employer the paid wages during the suspension of services.
 - Employees could choose not to recover the missed work days. In such case, the employer shall not pay their wages.
 - During the suspension of the services, the employer and employee can agree upon a wages' payment calendar.
- **Vacations:** Employers can notify employees the use of their accrued vacation leave.
 - Employers and employees can agree on the use of advanced vacation periods.

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As of 22 April 2020

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 (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
<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



As of 22 April 2020

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

The tax authorities in Guatemala 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.

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As of 22 April 2020

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 (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...)
<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. — 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: <ul style="list-style-type: none"> - Institutions regulated by CNBS that grant loans, will be able to concede grace periods to affected borrowers (entities and individuals). - The application of moratorium interest, commissions and administrative charges related with relief operations is banned. - Accrued interest and not charged (current) at the date of refinancing or reclassification of the debt, can be capitalized.

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- On March 19th, the EU Central Bank opened a 'swap' mechanism with its counterparty from Mexico for \$60,000 million of US dollars to provide liquidity in dollars for at least 6 months.
- On March 20th, Banxico made an announcement on Monetary Policy and cut its benchmark by 50 basis points, leaving it at 6.5%
- On March 30th, the largest commercial banks operating in Mexico announced support measures for their clients. These supports consist of the deferment of credit payments of between four and six months, depending on each client and institution
- On March 30th, Mexican government published on the official gazette the agreement in which "Sanitary Emergency due to Act of God" is declared due to the pandemic derived from the virus known as SARS-CoV 2 (COVID-19)
- On March 31st the Mexican Government issued sanitary protection measures and ordered the suspension of non-essential activities.

Tax measures – Direct and Indirect
(e.g. payment deferrals, rate reductions...)
State and local tax authorities in Mexico are providing tax relief in response to the coronavirus (COVID-19) pandemic, including:

- The state of Nuevo León on 20 March 2020 extended the deadlines for complying with certain reports or documents requested by the supervisory authorities, as well as the deadline for filing of administrative appeals. The postponement applies from 17 March 2020 to 20 April 2020.
- The state of Mexico has extended the deadline for complying with vehicle taxation, providing that payments of the tax are due now no later than 30 June 2020.
- The federal district of Mexico City (CDMX) announced the extension of certain deadlines for compliance with tax return filings and tax payments to be made during April 2020. The deadline is 30 April 2020. Other rules apply with regards to license and fees.

In addition, the states of Baja California, Colima, Durango, Mexico state, Jalisco, Hidalgo, Morelos, Puebla, Sonora, Quintana Roos, and Zacatecase have provided forms of tax relief (with extended deadlines for filing returns or paying taxes)

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

- Due to the declaration of "Sanitary emergency due to Act of God", temporary suspension of labor obligations for both (employer and employee) is established. Although, it is granted the obligation to pay an indemnity that considers the potential time of suspension and the possibility to carry out a new activity; however, it cannot exceed one month of salary. This must be validated by the Labor Board.
- It is essential to point out that depending on the industry and the economic activity of the Company, there must be a mutual agreement to protect workers and the sources of work, meaning that a negotiation between the parties must prevail.

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

- Mexican government has announced that it will be granted one million loans of MXN 25,000 each one. 500,000 for the informal economy and 500,000 for the formal economy.



Customs Measures	Other measures and sources
<p>Duty relief</p> <ul style="list-style-type: none"> — Simplified procedure for imports carried out by the Ministry of Health and Health Sector decentralized agencies — The Health Department and, decentralized agencies authorized by the Health Sector may import goods for medical treatment without some administrative formalities related to the customs clearance of imported goods. <p>Other measures</p> <ul style="list-style-type: none"> — Importation of merchandise donated to the Government through Ministry of Health. The mentioned rule establishes the procedure to request the permit to import without payment of customs duties, this applies exclusively for merchandise donated by foreign entities to face the health emergency. The importer of record must be the Ministry of Health or its related entities. — The Ministry of Health published the agreement that establishes the technical guidelines related to the suspension of activities in some sectors of the Mexican economy in the following terms: <ul style="list-style-type: none"> - For companies whose activities suspension may have an irreversible effect on their operation, - For courier companies, - Electronic commerce organisations and platforms are considered. - Companies necessary for the maintenance, maintenance and repair of critical infrastructure that ensures the production and distribution of essential services. — The Authority expedites issuance permits for import and export for all health inputs. 	<ul style="list-style-type: none"> — Low oil prices and slow growth will leave limited room for tax expansion. Government will cut spending in order to offset lower revenues. Lopez Obrador will remain committed to tax prudence. — 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/tmf-mexico-state-local-authorities-tax-relief.html

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As of 22 April 2020

Updated

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



Updated

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> <p>— 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:</p> <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 <p>— 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> <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> <p>— Panama: Tax relief, extended due dates for tax returns and payments (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tmf-panama-tax-relief-extended-due-dates-for-tax-returns-and-payments-covid-19.html</p>

**CONTACTS:**Tax: Ahmed Vega – ahmedvega@kpmg.comLegal: Roberto Casanova-Regis – rcasanovaregis@kpmg.com / Edgar Vera - egvera@kpmg.com**As of 22 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). According to Supreme Decree No. 064-2020-PCM (published on 10 April, 2020) the State of National Emergency will end on 26 April, 2020.

In this scenario, the Peruvian Government has announced the following emergency measures:

Tax measures – Direct and Indirect

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

Income 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 revenue 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	
April 2020	Yes / New deadlines are between 12 June, 2020 and 22 June, 2020	

- Taxpayers A: Taxpayers that generated a net revenue 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 revenue 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 <u>Schedule Type B:</u> The new deadlines are between 11 June, 2020 and 19 June, 2020
February 2020	Yes <u>Schedule Type A:</u> The new deadlines are between 4 June, 2020 and 10 June, 2020 <u>Schedule Type B:</u> The new deadlines are between 11 June, 2020 and 19 June, 2020	Yes <u>Schedule Type B:</u> The new deadlines are between 11 June, 2020 and 19 June, 2020
March 2020	Yes <u>Schedule Type A:</u> The new deadlines are between 2 June, 2020 and 10 June, 2020	
April 2020	Yes <u>Schedule Type A:</u> The new deadlines are between 11 June, 2020 and 19 June, 2020	

- 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:

Taxpayers A	Taxpayers B (*)
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 revenue 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 revenue 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 revenue 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

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 the Electronic Billing Systems:
 - Documents issued by the acquiring companies acquirer 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 15 May, 2020, for taxpayers whose deadlines began from 31 March, 2020 to 30 April, 2020
(*) Provided that generated a net revenue higher than 2,300 Tax Units during the fiscal year 2019.	

Discretionary application of tax 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.
- Through its web portal, SUNAT announced that sanctions will not be imposed until April 12, 2020. However, due to the State of National Emergency has been extended until 26 April, 2020, SUNAT should issue a communication informing that the discretionary authority for not imposing tax fines will be applicable until 26 April, 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 revenue 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 5 May, 2020 until 12 May, 2020.
- In the case of taxpayers that a net revenue not higher than 5,000 Tax Units during 2019 (PEN 21 MM = USD 6 MM approximately) may postponed the fill of such obligations corresponding **March 2020** as of 15 May, 2020 until 25 May, 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 until 13 April, 2020 through SUNAT - Online Operations.

Employment-related measures

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

Main Home office rules

- **Prohibition of subrogation:** The subrogation of functions by the employee is prohibited, as well as access to third parties of confidential information or data owned by the employer. The employer is authorized to impose restrictions of access to its information systems, as well as to determine and inform the employee of the applicable responsibilities in case of improper or unauthorized use of such systems.
- **Compensation of expenses incurred by the employee:** In case the employee provides the means to carry out activities, the parties (i.e. employer and employee) may agree to compensate the additional expenses derived from their use.
- **Working day (in Spanish, Jornada Laboral):** The applicable working day is that agreed between employer and employee previously to the start of home office. This working day can only be distributed up to a maximum of 6 days a week.
- **Inspection:** The Labor Inspection Authority exercises the functions of supervision and demanding compliance with social and labor laws during the State of National Emergency. In this sense, they constitute very serious infractions:
 - Order, demand or allow the entry or permanence of people in place of work whose activity is not excepted during the State of National Emergency.
 - Non-fulfillment of home office rules to employees considered as employees at risk (i.e. Employees with respiratory and cardiovascular diseases, diabetes, among others diseases; or that due to their age they are considered within the risk group, among other clinical factors) during the State of National Emergency or Sanitary Emergency.

Exceptional withdrawal of Pension Funds

- Exceptionally, active affiliates into Private Pension System (PPS) can withdrawal its funds up to the amount of PEN 2,000 (USD 580 approx.), provided that the following conditions are met:
 - The active affiliate must have an resources to finance a pension into their Individual Capitalization Account – ICA).
 - As at 31 March, 2020, the obligatory contributions must not has been deposited into the ICA for six consecutive months (i.e. as of September 2019 until February 2020).
- Each the Pension Funds Administrators (i.e. AFPs) will pay such funds in April 2020, upon request of affiliate.
- For such purpose:
 - The payment must be at the lasted within 3 business days after receipt of the request.
 - The AFPs can sign agreement with institutions of Financial or Banking System, or another entity

Perfect suspension of work

- **Main aspects:**
 - The employee doesn't receive salary during the perfect suspension of his work.
 - The labor relationship is not concluded.
- **Scope**
Exceptionally, the perfect suspension of work will be applicable whenever the employers cannot:
 - Implement the home office mode with their employees; or,
 - Apply the license with payment of salary; or,
 - Apply another measure that maintains the labor relationship and the perception of salary, privileging the agreement with the employees.

For this purpose, it will take into account (i) the nature of the employee's activities or (ii) the level of economic impact that the employers have as of 15 April, 2020 (date of entry into force of Urgent Decree No. 038-2020).

Deadline to apply the perfect suspension of work

The perfect suspension of work will be applicable up to 30 calendar days after the end of the Sanitary Emergency declared by Supreme Decree No. 008-2020/SA (published on March 11, 2020). However, this period can be extended by Supreme Decree.

Withdrawal of the CTS for employees with perfect suspension of work

The employees can withdraw their CTS for up to (01) a gross monthly salary for each calendar month overdue for the duration of the perfect suspension of work.

Economic Benefit for Emergency Social Protection applicable to small scale company employees (in Spanish, trabajadores de la microempresa)

Employees belonging to the small scale company labor regime according to Supreme Decree No. 013-2013-PRODUCE and whose gross monthly remuneration doesn't exceed PEN 2,400 (USD 695 approx.), will receive an economic benefit amounting to PEN 760 (USD 220 approx.) which will be granted by the Insurance Social Health (EsSalud) for each calendar month overdue during the suspension of work, up to a maximum period of 3 months.

Extraordinary withdrawal of funds in the Private Pension System (PPS)

Employees with perfect suspension of work may withdraw their funds up to the amount of PEN 2,000 (USD 580 approx.) of the Individual Capitalization Account (ICA). The request for the withdrawal of said funds can be submitted to the corresponding AFP as of 30 April, 2020.

Employment-related measures (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)											
<p>Postponement of the CTS deposit of May 2020</p> <ul style="list-style-type: none">— The employer may defer the CTS deposit of May 2020 until November 2020, provided that any of the following situations do not occur:— When the gross compensation of the employees not higher of PEN 2,400 (USD 695 approx.); or,— When employees have a perfect suspension of work.	<p>Payment in instalments and/or Postponement of payment and/or Refinancing of tax debts for Individual taxpayers</p> <ul style="list-style-type: none">— 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. <p>Withdrawal of the funds deposited on the Withholding Advanced Collecting Bank Accounts (in Spanish, Cuentas bancarias de Detracciones)</p> <ul style="list-style-type: none">— 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. <p>Extension of deadline for withdrawal of funds deposited on the Withholding Advanced Collecting Bank Accounts corresponding to period April 2020</p> <ul style="list-style-type: none">— 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. <p>Refund of Balance in Favor of the Exporter</p> <ul style="list-style-type: none">— The Exporters that generated a net revenue 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.	<p>Payment in instalments and/or Postponement of payment and/or Refinancing of tax debts for Individual taxpayers</p> <ul style="list-style-type: none">— 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. <p>Reduction of default and compensatory interest rates applicable to tax debts and the refund of improper or overpayment, respectively</p> <ul style="list-style-type: none">— As of 1 April, 2020, the following interest rates will apply: <table><tr><th>Monthly rate</th><th>Specifications</th></tr><tr><td>1.00%</td><td>Default interest rate applicable to local currency tax debts.</td></tr><tr><td>0.50%</td><td>Default interest rate applicable to foreign currency tax debts.</td></tr><tr><td>0.42%</td><td>Compensatory interest rate applicable to local currency refund of improper payments or overpayments according to Paragraph b) of Article 38° of Peruvian Tax Code.</td></tr><tr><td>0.25%</td><td>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.</td></tr></table> <ul style="list-style-type: none">— This compensatory rate is not applicable to local currency refund of VAT Withholdings Regimen and VAT Perception Regime.	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.
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.											

Economic stimulus measures (continued)

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

Implementation of Reactiva Peru program aimed to the Peruvian economic system to remain operational

— Background and scope:

- By means Legislative Decree No. 1455, approved under the exceptional powers granted by Peruvian Congress to the Peruvian Government and amended by Legislative Decree No. 1457, was created the Reactiva Peru Program to provide liquidity to companies that have been affected with by the paralysis of their activities as a consequence of the COVID-19.
- To achieve this purpose, the Peruvian Government will guarantee the loans in local currency that are granted by Companies of the Financial System (CFS), from 14 April, 2020 until June 30, 2020 (i.e. new loans). This term may be extended by Supreme Decree.
- Likewise, this loans granted cannot be used to pay off previous financial obligations.
- The Operating Regulations of Reactiva Peru Program was published on 13 April, 2020 and will into force on 14 April 2020.

— Mechanisms for granting guarantees:

The guarantees will be granted under the following mechanisms:

- Guarantees to the credits portfolios that are implemented through a trust.
- Individual guarantees that are implemented through a commission in charge of a commission agent (in Spanish, Comisión de Confianza) or another financial instrument of a similar nature.

These guarantees will only serve as coverage provided that they are used exclusively in operations of the Central Reserve Bank of Peru (BCRP).

— Requisites to qualify for the Reactiva Peru Program:

- Companies must not have a tax debt managed by SUNAT, enforceable in Coactive Collection Procedure (in Spanish, Procedimiento de Cobranza Coactiva) greater than one (01) Tax Unit before February 29, 2020, corresponding to the tax periods prior to the year 2020.

The aforementioned requirement is also considered fulfilled if, at the credit application date, the tax debt in Coactive Collection Procedure does not exceed said limit.
- At the credit application date, the companies must be registered in the Peruvian Financial System and must be within the "Normal" or "With Potential Problems" categories of the risk center of the Superintendence of Banking, Insurance and Private Pension Funds Administrators (herein after, "SBS").
- In case of not having a classification as of that date, the companies must not have been in a category other than the "Normal" category, the 12 months prior to the granting of the credit. They will also be considered with the category "Normal" the companies that there are not having classifications in the last 12 months.
- The following companies do not qualify as companies benefited:
 - The companies related to the Company of the granting Financial System.
 - The companies included in the scope of Law No. 30737, Law that ensures the immediate payment of civil reparation in favor of the Peruvian State in cases of corruption and related crimes.
- Additionally, the companies benefitted from the Reactiva Peru Program may not distribute dividends or profits during the loan period, with the exception if they were to be distributed in favor of their employees.

— Loan conditions:

Amount	The loan will not exceed PEN 10,000,000 (USD 2'898,550).
Currency	The loan must be granted in local currency (this includes the payment of commissions in local currency).
Payment term	The loan payment term cannot exceed 36 months, which include 12 months of "grace period" without payment of the principal amount and interest.
Interest rate	<ul style="list-style-type: none"> - The interest rate will be set according to the cost of funding and the CFS' margin. This rate must comply with the conditions of the operations as established by the Central Reserve Bank of Peru (in Spanish, Banco Central de Reserva del Perú - BCRP). - The guarantee fee includes all the administration costs of Development Finance Corporation (in Spanish, Corporación Financiera de Desarrollo – COFIDE).
Interest	<ul style="list-style-type: none"> - Interest corresponding to the "grace period" will be prorated during the remaining term of the loan. - At the end of the "grace period", the loan must be paid in equal monthly installments. - Payment terms can be reduced at the request of the company once the loan has been granted, which will be reported to COFIDE and the BCRP.

Economic stimulus measures (continued)
(e.g. loans, moratorium on debt repayments...)
— Maximum coverage of guarantees:

- The guarantees granted under Reactiva Peru Program will be subject to the following limits:

Small scale companies (in Spanish, Microempresas)	The guarantees covers a maximum amount equivalent to one (01) month of average monthly sales for the fiscal year 2019, according to registers of SUNAT.
Other companies	<p>The amount that is less than comparing the following concepts:</p> <ul style="list-style-type: none"> — The amount equivalent to three (3) times the contribution of the Social Health Insurance (EsSalud) declared to the company during all tax periods of the 2019 fiscal year; or, — The amount equivalent to one (01) month of average monthly sales for the fiscal year 2019, according to registers of SUNAT.

- In addition, must be considered that the guarantee granted by the Reactiva Peru Program the following coverage percentages on the loans (covering the outstanding balance of the loan granted):

Total loans per debtor company (in local currency)	Guarantee coverage (%)
Up to PEN 30,000.00 (USD 8,695.65 approx.)	98%
As of PEN 30,001.00 (USD 8,695.94 approx.) to PEN 300,000.00 (USD 86,956.52)	95%
As of PEN 300,001.00 (USD 86,956.81) to PEN 5'000,000.00 (USD 1,449,275.36 approx.)	90%
As of PEN 5'000,001.00 (USD 1,449,275.65 approx.) to PEN 10'000,000.00 (USD 2,898,550.72 approx.)	80%

— About the use of guaranteed loans:

The guaranteed credits may not be used by the companies benefiting with the Reactiva Peru Program to finance the following:

- Acquisition of fixed assets.
- Purchase of shares or participations in companies, bonds and other monetary assets, as well as to make capital contributions.
- The payment of past due obligations with the CFS.
- Pre-payment of financial obligations (unexpired debt).

Other measures and sources
Activities customs allowed during the State of National Emergency

Cargo and goods transport are allowed, guaranteeing its entry and exit through ports, airports and enabled borders points, as detailed below:

Activities customs allowed during the State of National Emergency:	<p>Cargo and goods transport carried out in the land, maritime and railway area.</p> <p>All other activity related to cargo and goods transport carried out in the land, maritime and railway area, such as services provided by (i) general agencies, (ii) maritime agencies, (iii) customs agencies, (iv) cargo agencies, (v) warehouses, (vi) logistics operators, (vii) suppliers, (ix) packaging, (x) pallet suppliers, (xi) vehicle custody companies, (xii) cargo inspections, (xiii) document delivery providers, (xiv) Tow track, (xv) vehicle maintenance shops, among others.</p>
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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).

Other measures and sources

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 until April 26, 2020, restarting on April 27, 2020.

Mandatory guidelines to develop proceedings and protocols to prevent the spread of COVID-19 in the Peruvian port facility

The National Port Authority has approved the "Mandatory guidelines to develop proceedings and protocols to prevent the spread of COVID-19" that must be observed in all port facilities that conform the Peruvian Port System.

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 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.

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.

Main measures applicable to Telecommunications Sector

- **Regulatory contribution (in Spanish, Aporte por Regulación) paid to Supervisory Agency of Private Investment in Telecommunications (OSIPTEL) / deadline extension**

Deadlines are extended as follows:

Filing and payment of Regulation contribution return of fiscal year 2019	Until 10 June, 2020
Filing and payment of Regulation contribution of March 2020	Until to 11 May, 2020

The Supervisory Agency of Private Investment in Telecommunications (OSIPTEL) will no apply sanctions to operating companies that file the returns related to that contribution on the dates indicated in the table above.

- **Special Right Contribution to Telecommunication Investment Fund (FITEL) / deadline extension**

Deadline is extended as follows:

Filing and payment of Regulation contribution of March 2020	Last business day of April 2020
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Main measures applicable to Energy and Mining Sector

- **Regulatory contribution (in Spanish, Aporte por Regulación) paid to Supervisory Agency of Investment of Energy and Mining of Peru/ deadline extension**

Deadlines are extended as follows:

Filing and advance payment of Special Right Contribution return intended to Telecommunication Investment Fund (FITEL) of March 2020	Until 11 May, 2020
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Custom Measures	Other measures and sources
<p>Duty relief</p> <ul style="list-style-type: none"> — 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 March 28, 2020 (i.e. Chlorine, Sulfuric Acid, Anesthetics, esters, medical mask, among others). This measure is applicable for 90 calendar days counted as of March 12, 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). — 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: <ul style="list-style-type: none"> - The custom penalty must be listed in the appendix included in the Resolution No. 006-2020-SUNAT/300000 (published on March 20, 2020). - The custom fine is incurred between March 12, 2020 and June 9, 2020. - The correct and/or omitted information was transmitted or registered. Temporary reduction, to zero percent, of the rate of the Import Tax under Article 50, paragraph d, of the Treaty of Montevideo of 1980, internalized by Legislative Decree No. 66 of November 16, 1981, with the objective of helping to prevent the Corona Virus / Covid-19 pandemic 	<p>Export</p> <ul style="list-style-type: none"> — The Exporters that generated a net revenue 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. — Suspension of customs procedures — Suspension of Tax and Custom Procedures overseen by SUNAT and the Tax Court, for a period of 30 business days. <ul style="list-style-type: none"> - For Tax and Custom Procedures subject to positive and negative administrative silence (pending) this period concludes on April 28, 2020, restarting on April 29, 2020. - For the other Tax and Custom Procedures (to be started or pending) this period concludes on May 6, 2020 restarting on May 7, 2020. <p>Suspension of Custom Legal Proceeding overseen by Judiciary Branch</p> <ul style="list-style-type: none"> — Suspension of Custom Legal Proceedings overseen by Judiciary Branch until April 26, 2020, restarting on April 27, 2020. <p>Other measures</p> <ul style="list-style-type: none"> — The National Port Authority (in Spanish, Autoridad Portuaria Nacional - APN) has approved the "Mandatory guidelines to develop proceedings and protocols to prevent the spread of COVID-19" that must be observed in all port facilities that conform the Peruvian Port System. <p>Agricultural Sector</p> <ul style="list-style-type: none"> — The Peruvian Government has approved the restructuring of the AGROPERU Fund to promote the access to guarantees for the coverage of credit risks and direct funding to small agricultural producers. <p>Requisites to qualify for the guarantee:</p> <ul style="list-style-type: none"> - Small agricultural producers must be registered in the Register of Agricultural Producers and its Organizations in Value Chains, - Prove that they belong to a valid Agricultural Organization, and - Have no overdue debts to the AGROPERU Fund, among others. <p>Extension of the term for the execution of sureties</p> <ul style="list-style-type: none"> — The term of execution of the Sureties, Letters of Guarantee (in Spanish, Cartas Fianza) and Surety Policies (in Spanish, Pólizas de Caucción) referred to in article 1898° of the Peruvian Civil Code or similar laws is extended. — For this purpose, the following conditions must be met: <ul style="list-style-type: none"> - These guarantees must be issued in Peru. - Its formal expiration occurs as of April 11, 2020 until the State of National Emergency ends, including its extensions. — For guarantees whose expiration dates occurs as of 11 March, 2020 to 10 April, 2020, a new additional term will be established for their execution. — In any case, the term of execution of said guarantees will be counted from the day following the end of the State of National Emergency until the term established in article 1898° of the Peruvian Civil Code or other specific law is met.

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As of 22 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 March 20th, 2020 is extended to April 20th, 2020.

- DGI Resolution No. 632 of 30 March 2020
- Establishes an alternative digital procedure in order not to withhold PIT (Personal Income Tax) to non-resident natural persons related to capital gains originated in deposits, loans, and all capital collocations or credit of any nature, as long as such gains come from non-resident entities.
- 1°) The reception of a digital file with the scanned image of the PIT return referred to in numeral 72 ter) of Resolution No. 662/2007 of 6/29/2007 will be considered sufficient in order not to apply the PIT withholding, in accordance to the second section of Article 39 of Decree No.148/007 of 4/26/2007.
- These measures will operate as long as the health emergency lasts. Once finalized, taxpayers will have 60 days to present, to the corresponding entity, the original PIT return.

DGI Resolution No. 653/020 of 1 April 2020

- Establishes an extension of due dates in order to comply with new requirements respecting electronic tax receipts, for providers registered in the Registro de Proveedores Habilitados (Registry of Authorized Providers) before October 1st, 2019.
- 1°) Numeral 3 bis of Resolution No. 4843/015, of December 9th, 2015, is replaced by the following:
- “3° bis) Transitory – Providers registered in the Registro de Proveedores Habilitados (Registry of Authorized Providers) before October 1st, 2019, will have until June 1st, 2020 to comply with all requirements established in the previous numeral.”

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 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).
 - 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)
(e.g. state compensation schemes, training...)
Executive Branch Decree of 03/25/2020 workers of 65+ years old

- 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.

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:

- 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.

Economic stimulus measures
(e.g. loans, moratorium on debt repayments...)
DGI Resolution No. 550/2020 of 03/20/2020: extension of due date for obligations

- 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.

As of 03/23/2020, the Central Bank issued Communication No. 2020/043: extension for reporting information

- 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:
 - 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:
 - 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...)

On March 16th, 2019, the Director of the Free Zones Area of the Ministry of Economy and Finances resolved to:

- 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.

On March 25th, 2020, the Director of the Free Zones of the Ministry of Economy and Finances resolved to:

- 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.

Other measures and sources

Executive Branch Decree of 03/24/2020: adapts measures regarding entry to the country:

- 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:
- 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.

Main sources of information:

- 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-%202018-3-2020.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 22 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...)
<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. <p>Income Tax</p> <p>On April 2, 2020, Decree N° 4171 was published, the contents of the decree, follow:</p> <ul style="list-style-type: none"> Exemption from income tax for resident individuals of their net income of territorial source, obtained during the 2019 tax year. To enjoy this tax benefit, income obtained at the end of the 2019 tax year must not exceed the amount equivalent to three (3) minimum wages in force at December 31, 2019 The decree enters into force on April 2, 2020 	<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 <p>BCV</p> <p>On March 30, 2020, Resolution N°20-03-01 was published, the contents of the resolution, follow:</p> <ul style="list-style-type: none"> The BCV is looking to mitigate the economic impacts of COVID-19 by implementing new actions regarding monetary policy matters Banking institutions must maintain a minimum reserve of 93% of the total amount of net liabilities in local currency As of 1 April 2020, the banking system shall use 7% of the new deposits entering the system, which will be available to support the payment system and be able to assist credit priorities. The objective of these actions is to counteract the new limitations in the development of national economic activities by providing a wider space for productive credit



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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As of 22 April 2020

General measures

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 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 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.
- 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.

On April 7, 2020, the Governing Council of the ECB adopted a package of temporary collateral easing measures to facilitate the availability of eligible collateral for Eurosystem counterparties to participate in liquidity providing operations. The emergency collateral package contains three main features:

- Expansion of the use of credit claims as collateral, in particular through the potential expansion of the additional credit claims (ACCs) frameworks. The ACC framework provides the possibility to National Central Banks to enlarge the scope of eligible credit claims for counterparties in their jurisdictions, including the possibility to accept loans with lower credit quality, loans to other types of debtors, not accepted in the ECB's general framework, and foreign-currency loans.
- Adoption of the following temporary measures:
 - Lowering of the level of the non-uniform minimum size threshold for domestic credit claims to EUR to facilitate the mobilisation as collateral of loans from small corporate entities;
 - An increase, from 2.5% to 10%, in the maximum share of unsecured debt instruments issued by any single other banking group in a credit institution's collateral pool. This will enable counterparties to benefit from a larger share of such assets.
 - A waiver of the minimum credit quality requirement for marketable debt instruments issued by the Hellenic Republic for acceptance as collateral in Eurosystem credit operations.
- Temporary increase its risk tolerance level in credit operations through a general reduction of collateral valuation haircuts by a fixed factor of 20%.

These measures are temporary for the duration of the pandemic crisis and linked to the duration of the Pandemic Emergency Purchase Programme (outlined above). They will be re-assessed before the end of 2020.

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As of 22 April 2020

General measures

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 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

On April 9, 2020, the European Commission sent to Member States for consultation a draft proposal to further extend the scope of the State aid Temporary Framework, to provide recapitalisations to companies in need. The Commission considers such public intervention to be “measures of last resort” as they may have a significant impact on competition in the Single Market and is proposing to introduce clear conditions as regards the State's entry, remuneration and exit from the companies concerned, strict governance provisions and appropriate measures to limit potential distortions of competition. The Commission aims to have the amendments adopted in the week of April 13.



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.

Sources:

<https://www.consilium.europa.eu/en/press/press-releases/2020/03/16/statement-on-covid-19-economic-policy-response/>



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.

Council adopts measures for immediate release of funds

The EU is taking swift action to make available money to help tackle the effects of the COVID-19 pandemic. The Council on March 30 adopted two legislative acts to quickly release funding from the EU budget for tackling the COVID-19 crisis. One of the acts amends the rules of the structural and investment funds, while the other extends the scope of the EU Solidarity Fund.

The Coronavirus Response Investment Initiative will give member states access to €37 billion of cohesion money to strengthen healthcare systems, as well as support small and medium-sized enterprises, short-term working schemes, and community-based services.

Of the total, about €8 billion will come from unspent pre-financing in 2019 under the structural funds. The new measure allows member states to spend unused money to mitigate the impact of the pandemic instead of returning it to the EU budget. Another €29 billion will be disbursed early from allocations which would have been due later this year.

Expenditure will be made available as of 1 February 2020 to cover costs already incurred in efforts to save lives and protect citizens.

Member states will also have greater flexibility to make transfers between cohesion policy programmes in order to redirect resources to where they are most needed.

The Council also amended the scope of the EU Solidarity Fund to include public health emergencies in addition to natural disasters. This will help member states and accession countries meet people's immediate needs during the coronavirus pandemic.

Given the urgency of the situation, both legislative acts will be published in the Official Journal of the European Union on 31 March and will enter into force on 1 April 2020

Sources:

- <https://www.consilium.europa.eu/en/>
- <https://www.consilium.europa.eu/en/press/press-releases/2020/03/30/covid-19-council-adopts-measures-for-immediate-release-of-funds/>



General measures

On April 9, 2020, the Council of the EU issued a Report on the comprehensive economic policy response to the COVID-19 pandemic, summarizing the coordinated actions taken so far at the level of the Member States, the EU and the euro area, including:

- **Flexibility in EU rules:** use of the general escape clause of the EU fiscal framework, which offers the flexibility necessary to the national budgets to support the economy and to respond in a coordinated manner to the impact of the COVID-19 pandemic
- **Use of the EU budget:** proposals by the Commission to make best use of existing EU budget resources to fight the crisis, including:
 - proposal for a Coronavirus Response Investment Initiative approved by the European Parliament and the Council and is in force as of the 1st of April and will allow the use of EUR 37 billion under cohesion policy to address the consequences of the COVID-19 crisis;
 - broadening of the scope of the Solidarity Fund to include major public health crises. Starting from the 1st of April, this allows the hardest hit Member States to get access to financial support of up to EUR 800 million in 2020.
- **Monetary Policy:** action taken by the European Central Bank to support liquidity and financing conditions to households, businesses and banks, which will help to preserve the smooth provision of credit to the economy, including through:
 - the launch of a EUR 750 billion Pandemic Emergency Purchase Programme (PEPP),
 - expansion of the range of eligible assets under the corporate sector purchase programme (CSPP),
 - easing of collateral standards
- **Financial Stability:**
 - guidance provided by supervisory authorities to financial institutions on the interpretation and application of the regulatory requirements in the current exceptional circumstances;
 - release of capital buffers. To overcome the financing pressures faced by firms and households, making full use of the flexibility provided for in the regulatory framework is essential;
 - the Council has expressed its readiness to take further actions, including legislative measures, if appropriate to mitigate the impact of Covid-19.

Additional crisis response instruments and preparing the ground for the recovery

The Eurogroup:

- Stand ready to step up the EU response to support, bolster and complement efforts made so far.
- **EU budget flexibility:** welcome the Commission's proposals regarding the further temporary flexibility in the use of EU funds, such as allowing transfers between funds, regions and policy objectives, abandoning national co-financing requirements and supporting vulnerable members of society.
- **Emergency Support:** agree that a dedicated COVID-19 instrument to support the financing of emergency aid, through the provision of grants, is necessary, to first and foremost reinforce the EU Member States' healthcare systems and welcome the Commission proposal of 2 April to re-activate the Emergency Support Instrument in the context of the COVID-19 outbreak. This instrument can at this stage provide support of EUR 2.7 billion from EU budget resources and can be increased through additional voluntary contributions from Member States.
- **Strengthening EIB activities:** welcome the initiative of the EIB Group to create a pan-European guarantee fund of EUR 25 billion, which could support EUR 200 billion of financing for companies with a focus on SMEs, throughout the EU, including through national promotional banks.
- **Safety nets in the EU and EA:** Safety nets are in place in the euro area and the EU. In the euro area, the ESM is equipped with instruments that could be used, as needed, in a manner adapted to the nature of the symmetric shock caused by COVID 19. The Eurogroup propose to establish a Pandemic Crisis Support, based on the existing ECCL precautionary credit line and adjusted in light of this specific challenge, as a relevant safeguard for euro area Member States affected by this external shock.
- **SURE:** agree on the need to establish, for the duration of the emergency, a temporary loan-based instrument for financial assistance under Article 122 TFEU and aim to make the instrument operational as soon as possible.
- **Recovery Fund:** agree to work on a Recovery Fund to prepare and support the recovery, providing funding through the EU budget to programmes designed to kick-start the economy in line with European priorities and ensuring EU solidarity with the most affected member states.



General measures

Additional crisis response instruments and preparing the ground for the recovery (continued)

- **Upcoming MFF:** The next EU Multiannual Financial Framework (MFF) will play a central role in the economic recovery. It will have to reflect the impact of this crisis and the size of the challenges ahead, by setting the right priorities, to allow Member States to effectively address the fallout of the coronavirus crisis, to support the economic recovery, and ensure that cohesion within the Union is maintained through solidarity, fairness and responsibility. We welcome the Commission's intention to adapt its MFF proposal to reflect the new situation and outlook.
- **Roadmap for Recovery:** Work is ongoing on a broader Roadmap and an Action Plan to support the recovery of the European economy through high quality job creation and reforms to strengthen resilience and competitiveness, in line with a sustainable growth strategy. It should put in place the conditions to relaunch our economies whilst promoting economic convergence in the EU and reducing any fragmentation resulting from the crisis, including through the rapid restoration of the full functionality of the Single market. The President of the Commission and the President of the European Council, in consultation with other institutions, including the ECB, have started work to this end. The Eurogroup stands ready to contribute and support this endeavour

Sources:

<https://www.consilium.europa.eu/en/press/press-releases/2020/04/09/report-on-the-comprehensive-economic-policy-response-to-the-covid-19-pandemic/>



Temporary State Aid Framework

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**.

On April 3, 2020, the European Commission announced the **extension** of the EU's State aid Temporary Framework to add additional measures to support the economy in the context of the coronavirus outbreak. The five additional measures are:

- Targeted support in the form of **deferral of tax payments and/or suspensions of employers' social security contributions** to help avoid lay-offs due to the coronavirus crisis in specific regions or sectors that are hardest hit by the outbreak.
- Targeted support in the form of **wage subsidies** for employees to help avoid lay-offs due to the coronavirus crisis in specific regions or sectors that are hit hardest by the outbreak.- More support for coronavirus related research and development (R&D) to address the current health crisis.
- More support for the **construction and upgrading of testing facilities** for products relevant to tackle the coronavirus outbreak, such as vaccines, medical equipment or devices, protective material and disinfectants.
- More support for the **production of products relevant to tackle to coronavirus outbreak**, such as vaccines, medical equipment or devices, protective material and disinfectants.

- As at April 13, 2020, the European Commission had approved over 50 **State Aid Measures** adopted under the Temporary Framework and Article 107(2)b TFEU. Among those measures, tax related schemes include one French scheme deferring the payment of certain tax by airlines, and one German scheme providing tax advantages including tax allowance, tax base reduction, tax deferment, and tax rate reduction.
- On April 9, 2020, the European Commission sent to Member States for consultation a draft proposal to **further extend** the scope of the State aid Temporary Framework, to provide recapitalisations to companies in need. The Commission considers such public intervention to be "measures of last resort" as they may have a significant impact on competition in the Single Market and is proposing to introduce clear conditions as regards the State's entry, remuneration and exit from the companies concerned, strict governance provisions and appropriate measures to limit potential distortions of competition. The Commission aims to have the amendments adopted in the week of April 13.
- The European Commission has also published **guidance on customs** issues relating to the COVID-19 pandemic. In particular, questions have emerged concerning the application of customs provisions relating to the customs decision-making process, customs procedures and customs formalities and the guidance identifies a number of existing provisions that provide solutions in these exceptional circumstances.

Sources:

- Euro Tax Flash from KPMG's EU Tax Centre:
<https://home.kpmg/xx/en/home/insights/2020/04/etf-429-european-commission-extends-temporary-framework-for-state-aid-measures.html>
- European Commission press release on Guidance on Customs issues:
https://ec.europa.eu/taxation_customs/covid-19-taxud-response/guidance-customs-issues-related-covid-19-emergency_en



Customs Measures

Duty relief for medical equipment

- Relief from **import duties and VAT exemption** on importation granted for goods needed to combat the effects of the COVID-19 outbreak during 2020 (European Commission Decision 2020/491 of 3.4.2020)
- **Goods exempted:** protective equipment, testing kits or other medical devices (e.g. as ventilators) intended for the following uses:
 - distribution free of charge by the bodies and organizations to the persons affected by or at risk from COVID-19 or involved in combating the COVID-19 outbreak,
 - being made available free of charge to the persons affected by or at risk from COVID-19 or involved in combating the COVID-19 outbreak while remaining the property of the bodies and organizations,
- The goods are imported for release for free circulation by or on behalf of State organizations including State bodies, public bodies and other bodies governed by public law or by or on behalf of organizations approved by the competent authorities in the Member States
- The relief from import duties and VAT exemption is applicable on goods imported from 30 January 2020 until 31 July 2020

Guidance on Customs issues (1 April 2020 updated on 8 April 2020)

- DG TAXUD published a guidance (Communication 2020/C 108 I/01 of 1 April 2020) on the solutions available provided by the EU legal framework
- The guidance aims to ease the work of Member State customs authorities, and other relevant stakeholders, when dealing with customs procedures
- The topics covered by the guidance are the following:
 - E-commerce / Empowerment for customs representation
 - Customs decisions (i.e. new applications for customs decisions and extension of the time-limit to take decisions on applications already submitted)
 - Customs Debts and Guarantees (i.e. possibility to take into account economic operators' serious difficulties, exceeding the guarantee limits, use of digital signature for the purpose of undertaking)
 - Entry of goods (e.g. minimising formalities on the import of human organs and bone marrow destined for transplant in the EU)
 - Origin of goods (i.e. submission of proof of preferential origin during the COVID-19 crisis)

- Customs procedures (e.g. goods in temporary storage for longer than 90 days)
- Transit
- Special procedures (e.g. temporary admission procedure, possibility to extend the limit for re-exporting the goods under temporary admission, inward processing procedure)
- Exit of goods

- **The update of 8 April provides clarifications on the submission of proof of preferential origin**, in particular with regard to the impossibility for some EU Member States and EU preferential trade partners to provide origin certificates in due form (i.e. signed, stamped and in the right paper format)
- The Commission proposes several solutions (e.g. possibility to accept copies of certificates). This approach is described in another information note and will start to be operational after further confirmation by the Commission services

Exports of personal protective equipment

- According to the Regulation (EU) No 2020/402 of 14 March 2020, as amended by Regulation 2020/426 (19 March 2020), **the export from the EU of certain personal protective equipment is subject to a prior authorisation until 25 April 2020.**
- The authorisation concerns protective spectacles and visors, face shields, mouth-nose-protection equipment, protective garments and gloves
- DG Trade published the list of competent authorities per Member State (i.e. the Dual-Use Good Service in France)
- The Commission has decided to exempt from the authorisation exports to European Free Trade Association Countries (i.e. Norway, Iceland, Liechtenstein, Switzerland) and the overseas countries listed in the annex II of the Treaty (e.g. French Overseas departments, etc.)
- **On 14 April 2020, the Commission published a draft regulation setting out a new scheme deemed to apply for a limited period of 30 days (as of 26 April 2020). This new draft regulation aims to restrict the need of an export authorisation to protective masks only.**



Customs Measures

Guidelines for borders management

- The European Commission has adopted a practical guidance (Communication (2020) 2010 final of 26 March) in order to maintain the free movement of goods and to harmonize the fight against the Covid-19 between Member States
- The Commission stressed the importance of the following points:
 - Border controls must be limited;
 - No additional certification should be required on goods moving legally within the EU;
 - No restriction should be imposed on medical and foodstuff of first necessity, except in justified cases.

EU “green lanes”

- The European Commission has adopted a practical guidance (Notice 2020/C 96 I/01 of 24 March 2020) to ensure continuous flow of goods across the EU:
 - Member States are requested to designate all the relevant internal border-crossing points on the trans-European transport network as ‘green lane’ border crossings;
 - The green lane border crossings should be open to all freight vehicles, whatever goods they are carrying;
 - Crossing the border, including any checks and health screening, shall not take more than 15 minutes.

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As of 22 April 2020

General measures

- On March 2nd, the Managing Director of the IMF announced, in a joint statement with the World Bank President, her intention to use all available instruments to support countries in addressing COVID-19.
- The IMF detailed on March 9th the mechanisms available to support countries:
 - Emergency financing. The Rapid Credit Facility (RCF) and Rapid Financing Instrument (RFI) provide emergency financial assistance to member countries without the need to have a full-fledged program in place. These loans—which could amount up to \$50 billion for low-income and emerging markets—can be disbursed very quickly to assist member countries implement policies to address emergencies such as the coronavirus. Emergency lending to low-income countries available under the RCF is about \$10 billion, and for emerging markets under the RFI it could amount to about \$40 billion
 - Augmenting existing lending programs. The IMF can modify as needed existing programs (the so-called Stand by Arrangements, SBA) in support of countries to accommodate urgent new needs arising from the coronavirus.
 - Grants for debt relief. The Catastrophe Containment and Relief Trust (CCRT) allows the IMF to provide grants for debt relief to the poorest and most vulnerable countries with outstanding obligations to the IMF to help address disasters, including public health disasters. This facility was used to support Guinea, Liberia, and Sierra Leone during the 2014 Ebola outbreak. The CCRT is currently underfunded with just over \$200 million available against possible needs of over \$1 billion.
 - New financing arrangement. The IMF can also provide support through a new financing arrangement under its existing facilities such as Stand-By Arrangements, although some of the tools listed above would generally be preferable, including because they can be disbursed quickly to address the urgent financial need.
- An unprecedented number of countries have reached out to the IMF for financial support, with the IMF Chief Economist stating on April 8 that over 90 countries are engaging the Fund on some type of support
- In response to this demand for support, the IMF Board double the limit of resources that countries can access under the RFI
- From March 23rd, the IMF Board has approved support to about 10 countries under different instruments. While some of these had been under consideration before COVID-19, they have expedited as part of the crisis response. Other requests are being considered in the coming weeks
- In addition to financing, the IMF has started to systematically track actions that countries are taking and it has developed a technical series on COVID-19 to support countries in taking policy measures to confront the crisis
- The IMF Managing Director has also pressed global leaders on the need to provide debt relief to the poorest countries to maximize countries' ability to address the health crisis.



General measures

The OECD issued a new report on April 15, 2020, summarizing measures implemented by jurisdictions to date and looking at how tax can be used in recovery efforts. In addition to taking stock of tax responses to the crisis, the OECD also looks at how tax can be used in future recovery efforts, with a focus on multilateral collaboration, while not excluding the introduction of exceptional tax measures

Points made by the OECD on the recovery efforts include:

- Multilateral collaboration will be vital for recovery.
- All options should be explored, including revamping old tools, introducing new ones, and bolstering ongoing efforts to address the international tax challenges posed by the digitalisation of the economy.
- Recovery would require carefully removing some short-term measures and targeting stimulus where policies would be most effective.
- Expansionary fiscal policy could focus on reducing those tax categories that are most harmful to clean and inclusive growth, while seeking to avoid windfall gains to businesses and households.
- Containment and recovery policies can co-exist.
- The unprecedented nature of the crisis is prompting reflection on whether some exceptional measures could be contemplated, as has been the case after major wars or major fiscal crises. This involves suggestions for new sources of revenue or modifying the tax mix in existing systems.
- Some academics and other stakeholders have recommended extraordinary revenue raising measures. Suggestions to use the tax system to tax back additional income earned during the crisis are being floated. Academics are also mentioning carbon pricing tax measures as a way to combine revenue raising objectives with a more fundamental, long term structural reform.
- There is evidence that introducing new taxes is less difficult at a time of major policy reforms.
- Increased use of digital services and the need to expand revenue raising could provide new impetus to efforts to reach agreement on the OECD Pillar 1 taxation of the digital economy issues internationally. The focus of the work on companies with high levels of profitability should facilitate revenue raising without negatively impacting the recovery of companies that have suffered heavily from the crisis.
- In a post-crisis environment, it is likely that addressing the tax challenges of the digitalisation of the economy and ensuring that MNEs pay a minimum level of tax (Pillar 2) will become more prominent.
- The tolerance in developing countries for international tax avoidance and evasion will decrease and untaxed income globally will be prioritized.

On April 3, 2020 the OECD issued **recommendations on the implications of the COVID-19 crisis on cross-border workers** and other related cross-border matters, based on an analysis of the international tax treaty rules. The OECD:

- observed that this unusual situation is raising many tax issues—especially when there are cross-border elements in the equation, for example, when there are cross-border workers or individuals who are stranded in a country that is not their country of residence. These issues have an impact on the right to tax between countries, which is currently governed by international tax treaty rules that delineate taxing rights.
- found that certain exceptional circumstances of the COVID-19 crisis call for an exceptional level of coordination and co-operation between countries, notably on tax issues, to mitigate the potentially significant compliance and administrative costs for employees and employers. The OECD encourages countries to work together to alleviate the unplanned tax implications and potential new burdens arising due to effects of the COVID-19 crisis.

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 organizations, to share knowledge and experiences as well as providing a means to address the more detailed questions administrations will have.
- Work urgently together across the FTA on analyzing and where possible addressing tax issues resulting from employees temporarily being stranded in different jurisdictions because of travel restrictions, self-isolation policies or other reasons connected to COVID-19.



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 on 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.

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As of 22 April 2020

General measures

- The UN Foundation, at the request of the World Health Organization (WHO), and in partnership with Swiss Philanthropy Foundation, created the COVID-19 Solidarity Response Fund on 13 March. This first-of-its-kind mechanism will mean companies, philanthropies, and individuals can all contribute to WHO's work supporting countries, especially those with the weakest health systems, to prevent, detect, and respond to the COVID-19 pandemic. At its launch Facebook agreed to match-fund up to \$10m and Google committed to double match-funding up to \$5m. As of 13 April, over \$145m had been raised. According to WHO's own Strategic Preparedness and Response Plan, there is a critical immediate funding need of \$675 million through the end of April alone. Donations to the Fund will support immediate global efforts to:
 - Gather critical data about the virus itself and its spread, including by boosting countries' laboratory capacity through training and equipment
 - Ensure patients get the care they need and frontline health workers get essential supplies and information to respond
 - Help develop and deploy best practice guidance so countries, communities, and health care providers can keep people safe
 - Guide and coordinate scientists around the world to rapidly develop vaccines, better diagnostic tests, and potential treatments
 - Ensure the public has accurate, science-based, and timely information to protect themselves, prevent infection, and care for those in need
- On 23 March it was announced by Reuters that, according to Norwegian Foreign Minister Ine Eriksen Soereide, the UN would create a global coronavirus fund to prevent the spread of coronavirus and support the treatment of patients worldwide
- On 2 April, an Associated Press article outlined that UN Secretary-General Antonio Guterres stated the UN is facing a cash crisis because of non-payment of dues by member states, which has been exacerbated by the coronavirus pandemic. The UN chief said in a letter to the 193 member nations that unmet payments for regular budget operations have reached \$2.27 billion "and we have no clear indication of when these payments might be received". "Unpredictable cash inflows, exacerbated by the global crisis posed by the Covid-19 pandemic, seriously threaten" the UN's ability to do its work, Mr Guterres said in the letter. He announced a temporary hiring freeze and urged all countries to pay their past and present dues and adopt measures to enable the UN to better cope with a cash crisis.
- On 9 April, the WHO made a new funding appeal for \$1bn to support its coronavirus efforts, as outlined in this Reuters article

**CONTACTS:****Tax:** Robert Gilpin – rgilpin@kpmg.com**As of 22 April 2020****General measures**

- On March 3rd, the World Bank announced the availability of up to \$12B in immediate support for COVID-19 response. On March 17, the Boards of the World Bank and the IFC, the Bank's private sector arm, increased this amount to a total of \$14 billion under a fast track facility:
 - \$6B to support governments. This comprises up to \$2.7 billion new financing from IBRD; \$1.3 billion from IDA, complemented by reprioritization of \$2 billion of the Bank's existing portfolio. The use of these resources will depend on country needs but the Bank expects that these will be used primarily for the initial health response:
 - Preventing and limiting local transmission, through laboratory equipment, improved surveillance systems, and training of front-line responders.
 - Goods and services such as gloves, masks, and portable ventilators.
 - Building or expanding clinical care facilities, such as refurbishing intensive care units or inpatient facilities in hospitals and preparing quarantine facilities.
 - Building systems for real-time community-based disease surveillance and through proactive, evidence-based citizen engagement.
 - Strengthening collaboration for research and response to facilitate the development of vaccines, therapeutics, and other measures.
 - \$8B from the IFC to work with commercial bank clients to expand trade finance and working capital lines and to directly support its corporate clients — with a focus on strategic sectors including medical equipment and pharmaceuticals — to sustain supply chains and limit downside risks. The IFC is using four financing vehicles to achieve this:
 - \$2 billion from the Real Sector Crisis Response Facility, which will support existing clients in the infrastructure, manufacturing, agriculture and services industries vulnerable to the pandemic. IFC will offer loans to companies in need, and if necessary, make equity investments. This instrument will also help companies in the healthcare sector that are seeing an increase in demand.
 - \$2 billion from the existing Global Trade Finance Program, which will cover the payment risks of financial institutions so they can provide trade financing to companies that import and export goods. IFC expects this will support small and medium-sized enterprises involved in global supply chains.
 - \$2 billion from the Working Capital Solutions program, which will provide funding to emerging-market banks to extend credit to help businesses shore up their working capital, the pool of funds that firms use to pay their bills and compensate workers.
 - \$2 billion from the Global Trade Liquidity Program, and the Critical Commodities Finance Program, both of which offer risk-sharing support to local banks so they can continue to finance companies in emerging markets. This new component was initiated at the request of clients and approved on March 17.
- Following this announcement, during the first week of April, the Board of the Bank started approving the first individual transactions under the new facility. The first group of projects, amounting to \$1.9B for 25 countries was approved on April 2nd and new operations are moving forward in over 40 countries using the expedited processing.
- In addition to the development of new projects, the Bank is redeploying resources in existing World Bank financed projects worth up to \$1.7B. This is being done primarily through fast-disbursing contingent additional financing components in existing loans.
- More recently, the World Bank has announced that it is prepared to deploy up to \$160B over the next 15 months to support COVID-19 measures that will help countries respond to immediate health consequences of the pandemic and bolster economic recovery.
- Therefore, we expect that during the next weeks, the Bank will be working with its clients to expedite the preparation and implementation of projects under the initial \$14 billion facility focusing on the current acute phase of the health crisis. We expect that the additional resources of up to \$160B will be programmed as the specific health and economic recovery needs of each country becomes clear as the COVID-19 crisis evolves



General measures

- In addition to its financing, the World Bank has been playing an active advocacy role in different international fora, including the G20, to highlight the need to take other concerted action to address COVID-19, including:
 - Provide debt relief to the poorest countries. The World Bank President highlighted to the G20 Ministers of Finance on March 23rd that the crisis will likely hit hardest the poorest and most vulnerable countries and called for official bilateral creditors of the poorest countries to provide debt relief, allowing the countries to concentrate their resources on fighting the pandemic. The first step proposed would be to suspend all repayments of official bilateral credit until the World Bank and the IMF have made a full assessment of their reconstruction and financing needs.
 - Facilitate continued global trade flows. The Bank has also made several statements (G20 Trade ministers meeting, Financial Times op-ed, etc.) emphasizing the importance of keeping trade open, particularly with respect to critical medical supplies, food or other key products necessary to address COVID-19.



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