



# COVID-19

Our teams by your side

## Information from the Government of Monaco online

All the information related to employment and aid to companies can be found on the Government of Monaco's website at the following link:

<https://service-public-entreprises.gouv.mc/Covid-19/Informations-pratiques-Covid-19>

In addition to this information, you will find below a summary of the various aid measures for companies.

In addition to all the aid provided by the Government, the civic mindedness of managers and the social responsibility of companies are called upon to request such aid only in cases of actual or anticipated need.

*The information, below, has generally not resulted in the publication of official texts and is mainly the result of informal exchanges. It is provided for information purposes in this period of crisis and does not engage the responsibility of KPMG.*

# 1 CTTR - Strengthened Provisions for Temporary Layoff

## 1.1 General

The Strengthened Provisions for Temporary Layoff (CTTR) is an exceptional measure that allows employees to reduce or temporarily suspend their activity. The aim of this measure is to protect jobs and companies.

The employer's decision is based on:

- ✓ The current situation and health recommendations,
- ✓ The need to organize the functioning of the company.

This decision may be made for all or part of the authorized period.

The employer may proceed:

- ✓ Either at the temporary closure of all or part of the business,
- ✓ Or the reduction of the working hours below the legal working hours.

The employee may not object to the employer's decision to use the CTTR.

## 1.2 For whom?

All employees of the company, with the exception of the corporate officer (without an employment contract), are concerned by the partial activity.

Directors and salaried managers are therefore also eligible for the CTTR.

Excluded are employees on sick leave and those on full-time teleworking.

However, the CTTR system can be combined with part-time teleworking.

## 1.3 What measures?

### 1.3.1 The basis for compensation

The components of the gross salary to be considered are the basic salary, the Monegasque 5%, the seniority bonus, contractual and monthly overtime hours.

The following are therefore excluded from the compensation, and included in the contributory basis, if the company maintains payment for it: overtime linked to the activity, variable elements which depend on the activity (mass overtime, bonuses, exceptional bonuses, commissions, balance sheet bonuses, holiday bonuses, etc.), benefits in kind, 13th / 14th months, etc., paid monthly or annually.

For employees benefiting from a job with a contractual working time lower than the legal duration, overtime hours may be taken into account, if the effective monthly duration calculated over several months is usually greater than that provided for in the contract, or in the work permit.

### 1.3.2 Partial activity allowance

The employer shall pay the employee a partial activity allowance which corresponds to 70% of the gross hourly wage, per hour of unemployment on the usual date of payment of wages.

- ✓ This allowance is not subject to CAR, CCSS, Pôle emploi contributions,
- ✓ This allowance should not be subject to AG2R contributions (to be confirmed),
- ✓ The company advances the partial activity allowance and obtains 100% reimbursement of this allowance from the state, provided that the necessary steps have been taken.
- ✓ The repayment period should be short (less than 30 days) but remains to be defined.

### 1.3.3 Mandatory salary continuance

The compensation paid to the employee may not be less than the net SMIC (minimum wage) plus 5%, i.e. € 9,3116 net per hour, or €1,573.66 net for 169 hours (excluding residual employee contributions).

- ✓ Salaries up to € 2,248.08 gross are therefore maintained at 100% net,
- ✓ This is a safeguard clause, which may be amended by decision of the Government.

### 1.3.4 Optional salary continuance

The employer can maintain the salary at 100%, which is even recommended by the state.

- ✓ This continuance is not subject to CAR, CCSS, Pôle emploi contributions.
- ✓ This continuance should not be subject to AG2R contributions (to be confirmed).
- ✓ This continuance remains entirely at the expense of the company and will not give rise to reimbursement by the state.

### 1.3.5 Cap on partial activity allowance

The state's reimbursement will be capped at 4.5 times the Monegasque Gross SMIC, i.e. € 8,105.03. The employer may also choose to cap the compensation paid at this amount.

If the employer pays a partial activity allowance corresponding to 70% of the gross hourly wage in excess of 4.5 times the Monegasque gross minimum wage, the entire amount of this allowance will remain exempt from charges (except for provident and mutual insurance funds).

### 1.3.6 Employment contract

The employment contract is suspended during the period(s) when the employee is not in active employment.

- ✓ However, the end dates of fixed-term contracts should not be postponed (to be confirmed),

- ✓ The end dates for the trial period will be extended, as employees will not have been tested in accordance with the spirit of the law,
- ✓ All time off is taken into account for the calculation of paid leave entitlements.

### 1.3.7 Social benefits

- ✓ Sickness coverage is maintained,
- ✓ Periods of partial employment are treated as periods of work for the purpose of determining entitlements to various social security and pension benefits.
- ✓ However, whether retirement points will be awarded on the basis of 70% or 100% of gross salaries remains to be defined as of today.
- ✓ Family allowances are maintained.

## 1.4 Required formalities

The steps to report the CTTR must be taken online, since the teleservice has been active since the beginning of the week.

Due to an over-solicitation of the service, the administration requires from applicants to fulfill the procedures, not by correspondence or by sending emails any longer, but by online procedures only. All procedures already fulfilled by way of email must be fulfilled again online, per request from the administration.

It will be necessary to provide for each employee concerned the last 3 pay slips (December / January / February) or the detailed payroll book per employee stamped by a chartered accountant, as well as the company's R.I.B (bank account details).

The declaration of payment of the allowance shall then be added on a monthly basis on this platform, along with the pay slip for the current month.

## 2 Tax Measures

### 2.1 VAT

Subject to being up to date with reporting obligations, a period of 3 months for the payment of VAT may be granted. It will be necessary to contact the inspector in charge of your file to justify the request for deferral of VAT payment.

Only a deferral of VAT payment is possible

### 2.2 ISB

No aid is currently provided to this day on the government's COVID-19 website, nevertheless it appears that the tax authorities will assess, on a case-by-case basis, any deferrals of payment of the 2019 income tax (ISB), depending on the difficulties encountered. The same shall apply for the next ISB installment, scheduled for May.

However, in accordance with Article 31 of Ordinance No. 3.152 of 03/19/1964 establishing a tax on profits, and in view of the probable impact of the current crisis on the results for the year 2020, « companies, which consider that the amount of the instalments already paid for the financial year is already equal to or greater than the tax they will ultimately be liable to pay for that year, may dispense with making new instalments by submitting to the Directorate of Tax Services, fifteen days before the due date of the payment to be made, a dated and signed declaration. If, subsequently, this declaration is found to be inaccurate by more than one-tenth, penalties will be applied. »

We therefore draw your attention to the need to submit the corresponding declarations within the deadlines.

Of course, we are at your disposal to analyze your situation and assist you in the process.

### 3 Additional measures to support the national economy

On 20th March 2020, the Government of Monaco presented other complementary economic support measures. (Annex 1).

### 4 Requests for financing from banking institutions in the Principality of Monaco

The Monegasque State has set up a procedure for guaranteeing credits and authorizing bank overdrafts.

Carried out jointly with the Order of Chartered Accountants, this procedure will make it possible to secure banking institutions and allocate to small and medium-sized enterprises the funds necessary for their operation during the crisis.

This procedure takes the form of a summary financial analysis of the company (review of key indicators prior to the crisis) and the establishment of a cash flow plan (to identify needs during the period of confinement and cessation of activity).

We will get back to you very soon with the practical details of this procedure.

We invite you to contact your bank to discuss the subject.

We thank you for communicating this information to anyone who may be interested within your company.

Remaining at your entire disposal,



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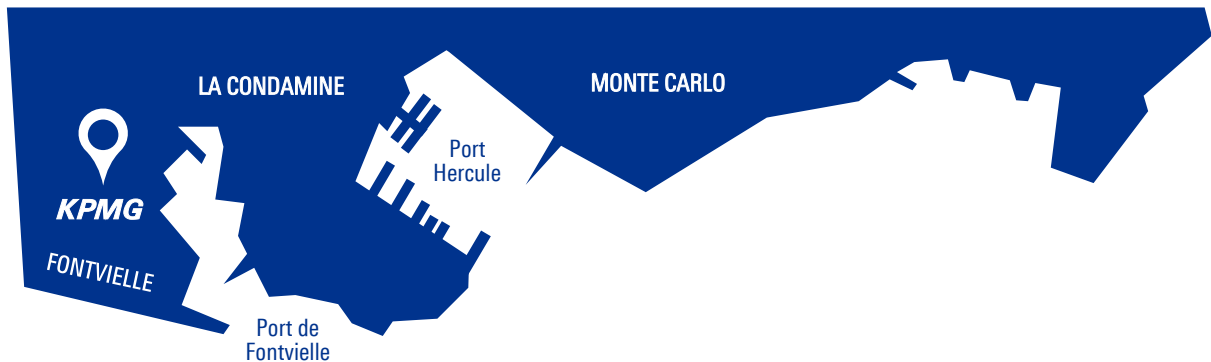
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