

Newsletter

No 2

2 April 2020



COVID-19

Our teams by your side

Following the many enthusiastic feedbacks we have received, we would like to thank all our customers and partners for your interest in our previous newsletter. We hope that this newsletter will be able to help you in these difficult times as well.

The Government has updated the **"Practical guide to economic, fiscal and social measures for companies affected by the health crisis"**, you will find it [here](#). And just like last week, you will find, below, a summary of the various aids and news related to the Monegasque economic fabric.

The information, below, has sometimes not yet resulted in the publication of official texts and is sometimes the result of informal exchanges. They are provided for information purposes in this period of crisis and do not engage the responsibility of KPMG.

As of March 31, 993 companies reported 10,381 employees teleworking.

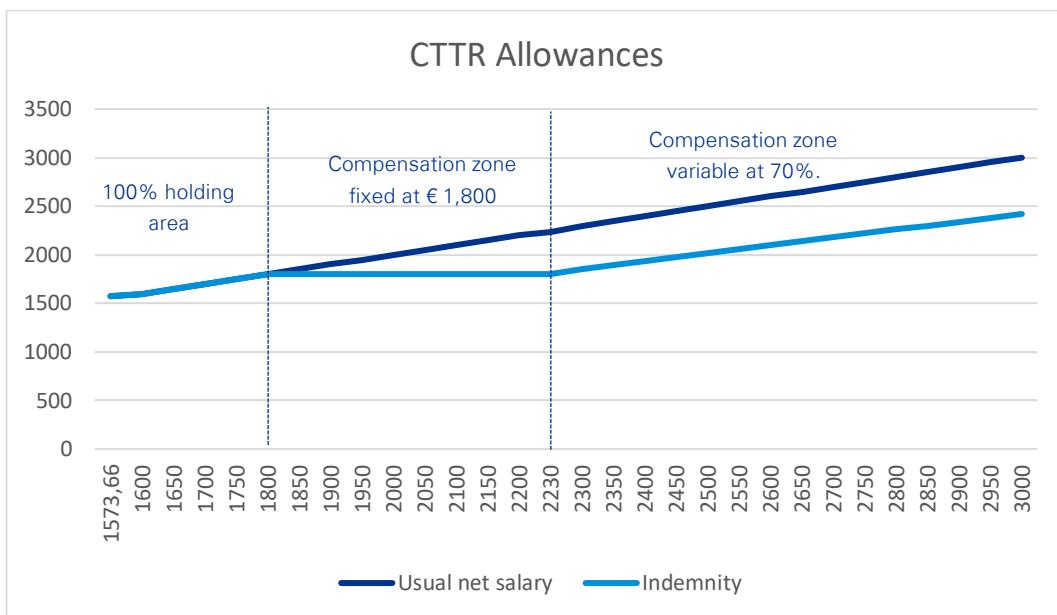
As of March 31, 2,625 employers had used the CTTR for 21,650 employees.

1 CTTR - Maintaining Low Wages

All employees in the Principality, in CTTR, whose net monthly salary is less than € 1,800 for 169 hours will benefit from 100% retention.

This provision shall be applied progressively in three phases:

- ✓ An employee usually receiving a net monthly salary between the Monegasque minimum wage and € 1,800 will receive 100% of his usual salary.
- ✓ An employee who usually receives a net monthly salary between € 1,801 and € 2,230 will receive € 1,800.
- ✓ An employee who usually receives a net monthly salary of more than € 2,230 will receive around 80.69% of his or her usual salary.



The March pay slips that would have been issued before the publication of this announcement, therefore without taking into account the rules of this maintenance, will be regularized on the April pay slips.

For information purposes, this decision by the State positions the Monegasque maintenance at 50% above the French maintenance. And according to the State's estimates, this social provision should benefit around 9,000 CTTR employees and cost the State around 1.5 to 2 M€/month.

The government has opened a teleservice through which all companies must send their CTTR applications: <https://teleservice.gouv.mc/chomage-temporaire-renforce/>.

2 Social security charges

2.1 Exemptions

CCSS, CAR, Pôle Emploi, Régime de Retraite Complémentaire (AMRR): No social security charges on compensation and wages continuance.

If the exemption from CCSS, CAR, Pôle Emploi charges on the indemnity (70%) and the voluntary maintenance of the employer (30%) was acquired last week, the question remained open concerning the contributions to the Supplementary Retirement Plan (Agirc-Arrco).

The AMRR clarified its position this week: the legal partial activity allowance is exempt from Agirc-Arrco social security contributions, thus the voluntary retention of the employer.

2.2 Social security charges maintained

2.2.1 CCPB

Contributions to the Caisse de Congés Payés du Bâtiment de Monaco (C.C.P.B.) are maintained.

Concerning the returns to be filed:

- ✓ **For hours outside the CTTR in March or for active personnel during the period of confinement:** the bases and contributions remain declarable as normal, on the Monegasque social security portal.
- ✓ **For hours in CTTR:** the bases and contributions relating to hours in CTTR will be due but are impossible to declare according to the usual procedure, as the Monegasque social security portal has not provided for a de-correlation between the CCSS and CCPB bases.

The CCPB and the CCSS are therefore in the process of developing a specific reporting procedure.

2.2.2 Provident and mutual insurance companies

As insurance contracts, provident and mutual insurance companies must always give rise to the payment of contributions in order for the contracts to be continued.

2.3 Payment terms

2.3.1 CCSS, CAR and Unemployment Insurance

The Government of Monaco has provided for the possibility of requesting a deferment of payment of these contributions.

In view of the considerable economic effort made by the Government of Monaco to limit the financial impact of this crisis, each employer is asked to **use this system only in cases of extreme necessity.**

Principles

The CCSS, CAR and Unemployment Insurance contributions are therefore concerned.

Employers in the Principality **experiencing a significant drop in activity due to the Coronavirus epidemic and unable to meet future deadlines** are eligible for this scheme.

However, employers must, in all cases, **carry out the usual reporting formalities within the deadlines.**

How to proceed?

If you wish to request the postponement or deferment of the payment of these contributions, it is necessary to send a request by e-mail to the Service Recouvrement des Caisses Sociales de Monaco (recouvrement@caisses-sociales.mc) indicating:

- ✓ The nature of the difficulties encountered,
- ✓ The desired payment terms,
- ✓ The full contact details of the company, and CCSS registration number.

2.3.2 Agirc-Arrco

The Agirc-Arrco Federation has authorized its members to defer the payment of dues to companies that request it. This deferral would be for a maximum of 3 months.

As with contributions from other funds, companies must be civic-minded and judicious in their requests for payment deadlines. Indeed, the supplementary pension system is a pay-as-you-go system, so it is the contributions that are used to pay pensions. And the Agirc-Arrco cannot do without the totality of the companies' contributions.

2.3.3 CAMTI/CARTI

The Government of Monaco has also provided for the possibility of requesting a deferment of payment of CARTI/CAMTI contributions, to be sent by e-mail to the Monaco Social Security Collection Service (recouvrement@caisses-sociales.mc), describing the nature of the difficulties encountered and full details, with your personal number.

Self-employed workers in the Principality **experiencing a significant drop in activity due to the Coronavirus epidemic and unable to meet future deadlines are eligible** for this scheme.

3 Exemption of rents

Source : <https://service-public-particuliers.gouv.mc/Covid-19/Informations-pratiques-Covid-19/Aide-aux-entreprises/Dispositions-relatives-aux-locaux-professionnels>

3.1 State-owned premises

3.1.1 Commercial premises

Retailers who had to close their shops following the Ministerial Decision of March 18, 2020, relating to the temporary closure of certain establishments receiving the public in order to fight against the spread of the COVID-19 virus will be exempted from rent and rental charges for the second quarter of 2020.

This exemption will be automatic without any action being necessary on the part of the beneficiary, the Domain Administration will act of this exemption by mail.

In addition, within the next 15 days, the merchants concerned will be reimbursed the rent and charges for the month of March 2020.

3.1.2 Non-commercial premises

The government is currently studying a system of aid adapted to the activities affected by the crisis, whose turnover is falling sharply.

3.2 Commercial premises in the communal area

« In order to support shopkeepers during the health crisis linked to Covid19, the Monaco City Council decided to exempt shopkeepers renting communal premises from paying their rent or their March fee. This measure will be renewed until the end of this crisis. »

Concerning the Public Way Occupations relating to the terraces, paid on an annual basis, a pro rata temporis will be applied. Thus, the months during which the terraces could not be exploited will not be invoiced. »

3.3 Private premises

Concerning private commercial rents, the State decided to intervene with various landlords to make them aware of this crisis situation.

Some landlords have already systematically granted substantial discounts to their tenants.

4 The « Extraordinary Minimum Income » for self-employed workers

An Extraordinary Minimum Income for Sole Proprietorships, also known as Personal Names or Proprietary Names, is introduced.

This provision is applicable retroactively from 1 March 2020.

This financial aid is intended for self-employed workers working in sole proprietorships (the managers of SARL/SNC/SCS are therefore not concerned) who carry out an activity strongly affected by the crisis.

This scheme should enable them to maintain a minimum monthly income of € 1,800.

Principles and conditions

- ✓ Exercising its activity in its own name, in the Principality of Monaco,
- ✓ This activity can be artisanal, industrial, commercial or liberal,
- ✓ This activity shall not be included in the activities referred to in [Article 2 of the Ministerial Decision of March 18, 2020, relating to the temporary closure of certain establishments open to the public](#),
- ✓ Not to be a beneficiary, in addition, of the daily allowance paid by the CCSS as childcare compensation,
- ✓ Not already a beneficiary of the Extraordinary Minimum Income under another ministerial authorization in their personal name.

The cost of the measure is estimated at 3 M€ per month. In view of the significant economic effort made by the Government of Monaco to limit the financial impact of this crisis, everyone is obviously asked to **only use this measure in cases of extreme necessity**.

More information here: <https://service-public-particuliers.gouv.mc/Covid-19/Informations-pratiques-Covid-19/Aide-aux-entreprises/Demander-le-Revenu-Minimum-Extraordinaire-RME>

5 The prohibition on dismissal

Since 1 April 2020, the Princely Government, in agreement with the National Council, has taken a decision to make any dismissal impossible during the current crisis period, except in cases of proven serious misconduct.

6 Mandatory use of telework

Since 1 April 2020, the use of telework has become compulsory, unless an exception is duly justified to the Labor Inspectorate.

7 Domestic people*

*Source : <https://www.caisses-sociales.mc/accueil/employeur/employeur/covid-19-cas-d-interruption-de-l-activite-d-un-employe-de-maison>

If the employer is himself infected or in isolation

He must not ask his employee to come to work. In this case, it is advisable to contact the Directorate of Labour to find out the formalities to be carried out.

At the time of the salary declaration, the corresponding periods are to be reported with a « leave without pay » event..

If the employer has not contracted the coronavirus and is not in isolation

The employer can ask his employee to come to work respecting the « barrier gestures ».

- ✓ If the activity is carried out under the usual conditions, the reporting requirements are unchanged.
- ✓ If the employee refuses to travel, the employer is not obliged to maintain his or her salary, although it may seem appropriate to show understanding.
- ✓ If the employer chooses to insure all or part of his employee's remuneration despite his absence, he must declare the hours and gross salary corresponding to the sums paid, as if the activity had actually been carried out, **in order for the employee to continue to receive social benefits.**
- ✓ If the employer chooses not to provide salary maintenance, he must contact the Labor Direction out what steps to take.

The employer may ask the employee not to report to the workplace or to reduce his or her attendance time.

- ✓ If the employer chooses to insure his employee's full remuneration despite his absence, he must declare the hours and gross salary corresponding to the sums paid, as if the activity had actually been carried out, **in order for the employee to continue to receive social benefits.**

- ✓ In other cases, it is advisable to contact the Labor Department to find out what steps to take.

If the employee is infected, in isolation or must look after his children

He will be compensated by the Social Security Funds.

For more information on these devices: see [Coronavirus - Details of actions taken by government authorities.](#)

At the time of declaring salary, compensated periods are to be reported as an "illness" event.

In this situation, if the employer chooses to maintain the remaining half-salary, the amounts paid are not reportable and are not subject to contribution. Only the hours actually worked need to be reported.

8 VAT

Source: <https://service-public-particuliers.gouv.mc/Covid-19/Informations-pratiques-Covid-19/Aide-aux-entreprises/Mesures-fiscales>

Businesses benefit from a three-month deferral of VAT payments, subject to compliance with their reporting obligations:

- ✓ Where the net VAT payable is less than €100,000 for the month of February, March or April 2020, businesses faced with this situation benefit from this measure without further justification.
- ✓ When the net VAT for which they are liable for the month of February, March or April 2020 is greater than €100,000, it is up to these companies to submit to the Tax Services Department, with their monthly or quarterly return, any element justifying the financial difficulties to which they are exposed.

In view of the considerable economic effort made by the Government of Monaco to limit the financial impact of this crisis, everyone is obviously asked to **only use this mechanism in cases of extreme necessity.**

9 Applications for financing from banking institutions in the Principality of Monaco

Companies in the Principality that are experiencing difficulties as a result of the Covid 19 health crisis may have recourse to the Monegasque Guarantee Fund within the framework of an application for cash credit and/or overdraft authorizations of up to € 500,000.

This scheme is aimed at all companies carrying out an economic activity in the Principality of Monaco (commercial or liberal), excluding associations, civil companies, portfolio management companies, insurance companies or companies under collective proceedings.

The sums thus received must be used to pay the company's debts and expenses during this period of crisis.

The estimated repayment term would be 4 to 12 months depending on the business cycle of the company, with the possibility of several months of deferral of the first repayment.

These amounts lent by the banks are guaranteed by the State. This means that in the event of default by the borrower, the state will ensure repayment from the bank. For the bank, the risk is therefore zero.

A simplified procedure has been put in place for claims under € 50,000. It is characterized by a limited number of criteria for obtaining and documents to be provided, including the absence of a certificate from a Chartered Accountant.

More info here: <https://service-public-entreprises.gouv.mc/Covid-19/Informations-pratiques-Covid-19/Aide-aux-entreprises/Mesures-financieres>

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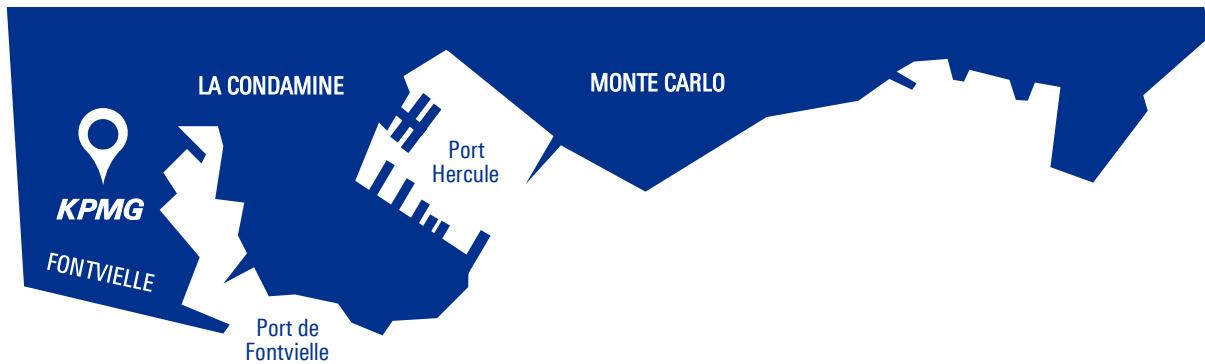
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