



COVID-19

Our teams by your side

We are finishing our 4th week of confinement and the Prince's Government continues to multiply measures to help companies support the economy and safeguard employment.

You will still find the **"Practical guide to economic, fiscal and social measures for companies impacted by the health crisis"** [here](#). And just like the last two weeks, you will find, below, a summary of the various aid 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.

1 Aid News

1.1 Aid to Small Companies (APS)

In addition to the Extraordinary Minimum Income (RME) announced last week and reserved for companies in their own name, the Prince's Government is completing its aid scheme with the Aid to Small Companies (APS), this time aimed at companies. This aid is limited to very small companies.

The amount of this aid is set at € 1,800 per month.

Eligibility requirements

- ✓ The applicant company must be registered in the Trade and Industry Register of the Principality of Monaco before 1st February 2020,
- ✓ The Managing Partner must have a majority shareholding,
- ✓ The Company must not be more than 50.01% owned by another commercial company,
- ✓ In 2019, the company must have achieved a turnover before tax of less than 500,000 Euros,
- ✓ The company has less than five employees,
- ✓ In 2019, the company achieved a taxable income plus management fees of less than 80,000 Euros,
- ✓ The company is up to date with its tax obligations.

Eligibility requirements

- ✓ Sociétés Anonymes Monégasques are not eligible for APS.
- ✓ The APS can be combined with recourse to the Guarantee Fund for an amount of less than € 50,000.

- ✓ The APS is paid for the months of March and April, renewable by ministerial decision, on the understanding that if the APS is paid for the month of March, it will automatically be paid for the month of April, without the applicant having to take the necessary steps, and under the same conditions.

1.2 Interest subsidy

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

The interest rate subsidy is a system that has existed since 2004 and provides that companies established in the Principality that finance a structuring investment with a bank loan may request that the State partially cover the interest on this professional loan. This subsidy consists of reducing the interest rate charged by the bank over the entire duration of the loan with a floor fixed at EURIBOR plus 0.75%.

The interest subsidy for « COVID loans »

The Prince's Government has decided to extend this scheme to cash loans requested by companies in the Principality, in recognition of the specific and exceptional economic situation linked to the COVID-19 health crisis.

In this extraordinary context, the subsidy has the effect of reducing the real interest rate granted for this credit to zero.

In addition, the procedure for applying for an interest subsidy has just been simplified since the application can now be sent directly by the company's bank as part of a procedure for recourse to the Monegasque Guarantee Fund. There is therefore no longer any particular step to be taken by the company in this context, except to ask your bank to make the request.

This subsidy consists of reducing the interest rate charged by the bank, over the entire duration of the loan with a floor fixed at EURIBOR plus 0.75%.

In this extraordinary context, the subsidy has the effect of reducing the real interest rate granted for this loan to zero.

As the EURIBOR rate is currently negative, this amounts to reducing the interest rate to 0%.

1.3 Guaranteed loans

The duration of COVID 19 financial assistance would be extended from a maximum of 12 months to a maximum of 36 months, and the possible deferral of a maximum of 6 months would be extended to a maximum of 12 months.

2 Law and bill

The Proposal for Legislation, below, **is not applicable as it stands**, as the legislative process has not yet been completed. It is presented below for your information only. We will inform you when it comes into force.

2.1 LAW N°1010

[BILL N°1010 ON THE SUSPENSION OF ADMINISTRATIVE DEADLINES TO DEAL WITH THE COVID-19 VIRUS PANDEMIC.](#)

What are is it about?

For citizens, the administrative deadlines concerned are the deadlines:

- ✓ For filing applications,
- ✓ For filing declarations,
- ✓ For payment relating to the acquisition or retention of a right,
- ✓ To formalize an act,
- ✓ Or to carry out any other formality, registration, notification or publication.

For the administration, administrative time limits are the time limits imposed on the administrative authorities by legal or regulatory provisions, at the end of which a decision may, or must be taken, or is implicitly acquired (*except in the case of the Supreme Court*).

What's going on?

The deadlines in force on 18 March 2020 are, on that date, suspended for a period of two months, extendable for as long as the containment and travel restrictions last. (this is the « *period of suspension* »).

The starting point of any period of suspension that should have commenced during the « *period of suspension* » shall be postponed until its end.

At the end of the « *period of suspension* », an additional period of suspension of one month will be added.

What are the limits and exceptions?

A sovereign ordinance will determine the categories of acts, procedures and obligations for which the duration of suspension may be adjusted in the general interest.

The suspension of administrative time limits may not have the effect of causing the loss or reduction of social or rental aid of any kind to the citizens.

2.2 Bill n°249

[BILL N°249 - PROHIBITING UNFAIR DISMISSALS, MAKING TELEWORK COMPULSORY ON POSTS THAT ALLOW IT, AND OTHER MEASURES RELATED TO THE COVID-19 CRISIS.](#)

2.2.1 Time limits in contractual matters

The « *period of suspension* » is the same as previously defined: starting 18 March 2020 for a period of two months, extendable for as long as the containment and travel restrictions last.

Non-performance of an obligation

Failure to comply with an obligation within a specified period shall not be sanctioned, if that period has expired, during the period of Ineligibility.

The course of standby duty and the application of penalty clauses, which took effect before 18 March 2020, are suspended during the "suspension period".

These provisions are not applicable to public contracts of the State, the Commune and public establishments.

Non-performance of a contract of sale or provision of services

Where a contract for the sale or provision of services cannot be executed during the « period of suspension » or afterwards for reasons related to the COVID-19 pandemic, the Provider may:

- ✓ Either propose a credit note, which must correspond to the totality of the payments already received, if the sale or the service can be postponed within a maximum period of eighteen months,
- ✓ Or refund all payments already received (if necessary, with payment by instalments), if the sale or service cannot be postponed within a maximum period of eighteen months.

2.2.2 Social provisions

Control of dismissals

Except in the case of serious misconduct on the part of the employee, any dismissal pronounced or notified during the « *period of suspension* » may only be pronounced after the consent of the commission provided for in the event of dismissal of a staff representative, this commission having to ensure that the planned dismissal is not related to the situation linked to the COVID-19 virus pandemic.

This commission is composed of:

- ✓ The labour inspector,
- ✓ 2 representatives of the employers' unions,
- ✓ 2 representatives of the wage unions.

Suspension of notices

Where the dismissal has been notified or pronounced prior to the date of application of this Act, the period of notice shall be suspended, for its remaining duration, for as long as the « *period of suspension* » lasts.

As the text specifies that it is "the period of **execution** of the notice period" that is suspended, we understand that notice periods not executed by agreement of the parties (Article 11 of Law 729) would therefore not be affected. However, this remains to be confirmed.

The use of telework made compulsory

Where it is materially and technically possible, the employer must allow the employee to exercise all his working time in telework during the « *period of suspension* ».

When the exercise of the employee's activity is not possible by teleworking and the physical presence of the employee is required at the workplace, the employer must comply with the health prevention measures enacted by the Minister of State.

An employer who fails to comply with his obligations may be fined from 600 to 1,000 euros. In the event of a repeat offence, the amount of the fine may be doubled.

2.2.3 Simplification of communication procedures

Communications that must normally be made by ordinary or registered mail may, during the « *period of suspension* », be validly made by electronic message allowing the identification of the issuer.

This identification can be done by any means.

2.2.4 Tenue des assemblées générales à distance

During the « *period of suspension* »:

Even if nothing is provided for in the articles of association, general meetings may be held without the members and other persons entitled to attend being physically present.

Such members and other persons entitled to attend may validly participate by means of a telephone or audiovisual conference allowing their identification and guaranteeing their effective participation.

They shall be deemed to be present for the calculation of the various quorum and majority rules.

In addition, the decisions of the general meeting or of the administrative, supervisory or management bodies may also be taken by simple written consultation of their members.



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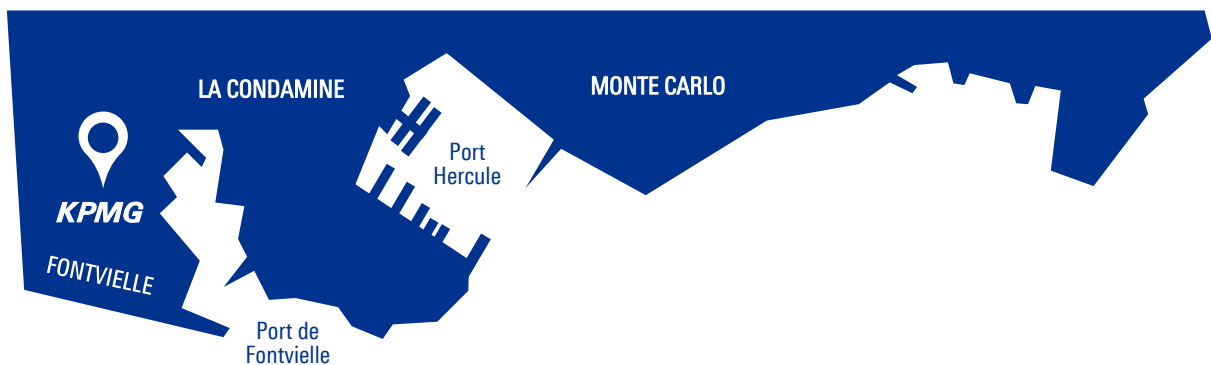
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