

COVID-19 TAX AND LAW TRACKER

This document contains COVID-19 legislation and tax measures taken by the following countries:

- Albania
- Algeria
- Argentina
- Australia
- Austria
- Belgium
- Botswana
- Brazil
- Cameroon
- Canada
- Chile
- China
- Colombia
- Congo
- Croatia
- Czech Republic
- Denmark
- Djibouti
- Egypt
- France
- Germany
- Greece
- Hong-Kong
- Hungary
- India
- Indonesia
- Ireland
- Israel
- Italy
- Ivory Coast
- Japan
- Kenya
- Latvia
- Luxembourg
- Madagascar
- Malawi
- Malaysia
- Mauritius
- Mexico
- Morocco
- Mozambique
- Netherlands
- Nigeria
- Norway
- Peru
- Philippines
- Poland
- Portugal
- Romania
- Russia
- Senegal
- Singapore
- Slovakia
- Slovenia
- South Africa
- South Korea
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- Sweden
- Switzerland
- Tanzania
- Thailand
- Tunisia
- Turkey
- UAE
- Ukraine
- United Kingdom
- Uruguay
- USA
- Venezuela
- Viet-Nam

INTRODUCTION

The COVID-19 pandemic is a constantly evolving global health crisis that is creating a huge range of challenges for individuals and businesses around the world. As governments take unprecedented action to prevent the spread of the virus, businesses are facing an ever-more complex environment to operate within.

Businesses around the world need to understand the changing COVID-19 legislation and tax measures that apply to their business operations, whilst simultaneously develop strategies to protect their employees and the stability of their business during this crisis.

Mazars' global tax and legal experts from around the world have created this COVID-19 Tax and Law Tracker to help you understand the global changes you need to be aware of and help you protect your business.

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EUROPE

COVID-19 Tax Subsidies

		Indirect Tax measures	Corporate Income Tax measures	Other Taxes	Customs measures	Tax Audits and controversies	Other measures (macroeconomic, legal, labour, etc.)
	Albania	✗	✓	✗	✗	✗	✓
	Belgium	✓	✓	✓	✗	✓	✓
	Croatia	✓	✓	✓	✗	✓	✓
	Czech Republic	✓	✓	✓	✗	✗	✓
	Denmark	✓	✓	✓	✗	✗	✓
	France	✓	✓	✗	✗	✓	✓
	Germany	✓	✓	✓	✓	✗	✓
	Greece	✓	✓	✓	✓	✓	✓
	Hungary	✗	✗	✓	✗	✗	✓
	Ireland	✓	✓	✓	✓	✓	✓
	Italy	✓	✓	✓	✓	✓	✓
	Latvia	✓	✗	✓	✗	✗	✓
	Luxembourg	✓	✓	✓	✗	✗	✓
	Netherlands	✓	✓	✓	✓	✓	✓
	Norway	✓	✓	✓	✗	✗	✓
	Poland	✓	✓	✓	✓	✓	✓
	Portugal	✓	✓	✗	✓	✓	✓
	Romania	✓	✓	✓	✗	✓	✓
	Russia	✗	✓	✓	✓	✓	✓
	Slovakia	✓	✓	✓	✓	✓	✓
	Slovenia	✓	✓	✓	✗	✗	✓
	Spain	✓	✗	✗	✓	✓	✓
	Sweden	✓	✗	✓	✗	✗	✓
	Switzerland	✓	✓	✓	✗	✗	✓
	Turkey	✓	✓	✓	✓	✗	✓
	Ukraine	✓	✓	✓	✓	✓	✓
	United Kingdom	✓	✗	✓	✗	✓	✓

n/a Not available ✓ Implemented ✗ None

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Tax Tracker

Indirect Tax Measures

None

Corporate Income Tax Measures

For entities with a turnover up to ALL 14 million, subject to corporate income tax, the following fiscal facilities are provided:

- Corporate income tax calculated on the basis of 2019 annual income tax return is payable to the tax authorities' account within the second half of 2020, instead of 31 March 2020.
- Deadline for the payment of corporate income tax installments of FY 2020 is 31 December 2020.

Other Taxes

None

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

- Macroeconomic measures:

Allocation of a fund of ALL 6.5 billion to facilitate and support employees and / or other categories affected by the temporary suspension of normal work processes.

Business support through Sovereign Guarantee instrument in the amount of ALL 11 billion, which will be placed

as a guarantee for the companies that will face difficulties in paying the salaries of the employees during these months.

Amnesty for interests caused by failure of paying electricity bills on time. From the "erased" interests amounting to \$ 150 million are expected to benefit circa 220,000 subscribers across the country.

The repayment term of the loan installments to the business entities and individuals is postponed until 31.05.2020. This is not automatic and the borrowers must communicate with lenders (banks, non-bank financial institutions or savings and loan associations) and explain the reasoning why they need a postponement of their instalments.

- Legal measures:

Public and private education institutions as well as bars, restaurants, fast food, cafeterias, etc. closed up to April 3, 2020.

Reduction of staff present in call center businesses.

Services prioritisation plan for public and private institutions.

Suspension of flights in all airports except for flights by Air Albania to Istanbul.



Law Tracker

Real estate law measures

- Second COVID-Accompanying Act for Judiciary within the Fourth COVID-19 legislative package

Core aspect regarding real estate law measures is that landlords (only regarding apartments) neither can terminate lease agreements nor sue for rent due to rent arrears (that are caused by the COVID-19 pandemic) regarding the rent for April until June 2020. Landlords are also not allowed to cover the rent arrears from the deposit. Termination of lease agreements for other reasons is still permissible. Landlords may sue for rent arrears again starting from 1 January 2021 and terminate the lease agreements from 01 July 2022. Evictions will be postponed and temporary lease agreements may be extended until the end of 2020. The measures shall enter into force retroactively starting with 1 April 2020.

Corporate measures

- COVID-19 Corporate Law Act (BGBl 16/2020, amended by BGBl 24/2020)

Core aspect is that for as long as measures taken to prevent the spread of COVID-19 according to the COVID-19 Measures Act (COVID-19-Maßnahmengesetz) are in place, meetings of shareholders and members of corporate bodies of various types of legal entities (corporations, partnerships, cooperatives, foundations, etc) may

be held without the physical presence of the participants.

Details on technical aspects (optical and acoustic real-time communication) ensuring legal certainty with regard to decision-making process will be set forth in an implementing regulation (to be published). Further, the time period for holding general meetings of stock corporations, companies with limited liability, cooperatives and foundations is extended to the first twelve months of the financial year. All these regulations prevail over deviating provisions of the articles of association. Provided COVID-19 pandemic prevents management from timely preparation of the financial statements, the time is extended by additional 4 months. The same extension applies to the publication of financial statements. These measures shall expire by the end of 2020.

Labour law measures

- COVID-19- short-time work directive and amendment to Labor Market Service Act (Art 37b AMSG)

As part of the first COVID-19 legislative package COVID-19 short time work was introduced to mitigate economic difficulties of employers due to the COVID-19 pandemic. Employers may temporarily reduce working hours of (parts of the) staff and thus also remuneration. The big advantage of COVID-19 short-time work is that the Austrian Employment Agency ("AMS") pays the difference between remuneration before short-time work and the reduced income



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(up to the maximum amount of EUR 5.370 gross/month, which is the social security payroll tax cap). Depending on the employee's monthly gross salary (<EUR 1.700 < 2.685 < above) the AMS guarantees that the employee earns 90%, 85% or 80% of his/her former net income. Due to the high demand for funds for short-time work support, the government currently considers increasing the funds earmarked for this from one to three billion euros.

- Special Care Time - new Art 18b Employment Contract Law Adaptation Act

One of the COVID-19 response measures is the closure of schools and childcare facilities. The first COVID-19 legislative package introduced "special care time" which allows employees who are parents to apply for up to three weeks of special leave to look after children of the age of up to 14.

However, there is no entitlement to special care time - employers may deny the application. During special care time one third of the remuneration is reimbursed by the state.

The 2. COVID-19 legislative package extended the scope of application to the care for persons with disabilities.

The third COVID-19 legislative package now grants this possibility to employees who take care of a relative (24h-home care) instead of the professional caretaker who is inhibited to continue working due to COVID-19 pandemic.

- Amendment to Art 82 Unemployment Insurance Act (part of the second COVID-19 legislative package)

If the employment relationship of employees who are in partial retirement ("Altersteilzeit") are interrupted due to COVID-19 pandemic response measures between 15 March and 30 September 2020 but are continued afterwards, such interruptions do not have an adverse effect on the partial retirement agreement.

- COVID-19 measures introduced into the Labor Relations Act (new Art 170 ArbVG)

- Elections of works council

This new law allows to carry out works council elections in an orderly manner. Para 1 extends the term of office of the current works council that would have ended between March 16 and (extended by the third COVID-19 legislative package:) 31 October 2020 until new bodies have been elected.

- Contenting notices of Termination and Dismissals

Statutory periods are temporarily suspended until April 30 2020.

- Obligation to use up vacation (new Art 1155 ABGB (Austrian Civil Code) as part of the second COVID-19 legislative package)

The new provisions clarify that employees who are ready to work are entitled to continued remuneration in case they cannot perform their work due to the closure of or restrictions to



their workplace imposed in accordance with the COVID-19 Measures Act. Employees may in return be asked and are obliged to use up vacation days (up to 8 weeks, including 2 weeks of the current year's vacation) and time credits during the closure period. This only applies to employees who cannot continue working from home.

- Seasonal workers (new Art 32c Employment of Foreigners Act as part of the third COVID-19 legislative package)

For the duration of the COVID 19 pandemic, employment permits for seasonal workers who are already staying in Austria may be issued or extended in the agricultural and forestry sector for a total duration of more than nine months within a period of 12 months.

- Social Security - new definition of "work accident" (new para 1a and 1b in Art 175 and new Art 735 General Social Security Act as part of the third COVID-19 legislative package)

For the duration of COVID-19 pandemic response measures, the definition of "work accident" also comprises accidents that occur at the insured person's place of residence during and related to home office work. Art 735 allows employees who due to their medical conditions are defined members of a "COVID-19 high-risk group" to stop working and continue to receive remuneration. This does not apply if work can be done from home, adequate measures

prevent the risk of infection at the workplace or the employee works in a critical infrastructure job. Social security reimburses the remuneration during this time.

- Early Retirement (new Art 32 General Pension Act as part of the third COVID-19 legislative package)

People in (early) retirement are allowed to start to work in the health care sector under simplified conditions from March to December 2020 to support fighting the COVID-19 pandemic, without this having any effect on their pension entitlement.

Industrial property law measures

- COVID-19 Measures Act (COVID-19-Maßnahmengesetz) and bylaw (BGBl. II Nr. 96/2020, amended by BGBl. II Nr. 112/2020)

COVID-19 pandemic response measures include orders closing down various types of businesses in industrial/commercial properties and/or prohibiting entering into customer areas of the business premises.

Landlords may be affected as Section 1104 and 1105 of the Austrian general civil code ("ABGB") may be seen to provide for a statutory basis for reducing the lease if the rental property is unusable.

Issue is that the law does not explicitly define the reasons why an industrial properties may be deemed unusable.

Furthermore, it is still uncertain, if laws will be passed in order to clarify these outstanding questions.



Regulatory measures

- Changes to time limits in administrative procedures

Whilst certain time limits shall be interrupted and restart as of 01 May 2020, certain other time limits in administrative shall (only) be suspended, i.e. the period of 22 March to 30 April 2020 shall not be considered when calculating the time periods. To compensate for the fact that the COVID-19 pandemic response measures make it difficult for the administrative authorities to settle the case quickly and easily, the time limit for a decision is extended to a certain extent. The obligation of the authority to decide without unnecessary delay, remains unaffected. Similar extensions of the time limits are regulated in various specialized regulatory laws (financial markets, public procurement, etc)

- Merger Control - extension of procedural time limits

COVID-19 pandemic response measures for judiciary introduce far-reaching changes regarding merger filings with the Austrian federal Competition Authority ("FCA") and merger proceedings pending before the Austrian Cartel Court. The statutory 4-week (maximum 6 week) Phase I review period for merger filings received by the FCA from 23 March, but prior to 30 April, will not begin to run until 1 May 2020. Consequently, clearance confirmation would then be received on 2 June 2020. The possibility to request early clearance remains unaffected.

This prolongation does not apply to merger filings submitted prior to 23 March 2020 unless an application for Phase II proceedings is made by the authorities. For examination proceedings (Phase II) that were already pending before the Austrian Cartel Court by 23 March 2020 or that are initiated before 30 April, the 5-month (or maximum 6-month) decision period does not begin to run until 1 May 2020 and ends on 1 October 2020. On a practical note, merger filings must now be submitted electronically.

- Competition law

In line with other European competition authorities, FCA announced a certain degree of leniency with respect to temporary cooperation between competitors that, while benefiting consumers, contributes to an improvement of the production or distribution of goods. Such lenient approach will be applied to measures in effect until 13 April 2020.

- Merger commitments

In a case in the media sector, FCA allowed for a temporary adjustment of commitments agreed upon in the respective merger case three years ago.

- Special rules for public procurement

A special law provides for exceptions applicable to matters of public procurement in order to minimize economic damage in this area from the COVID-19 pandemic.



In procurement procedures for emergency procurements in connection with the COVID-19 pandemic, i.e. re: protective masks, respiratory equipment or containers for medical personnel, the suspensive effects of preliminary injunctions related to review proceedings are suspended. Thus, a contract may be awarded prior to the decision on the application.

Insurance Law measures

None

Litigation measures

- Judicial measures - interruption of time limits & reduction of court operations

In court proceedings (civil proceedings and non-contentious proceedings, register proceedings and enforcement proceedings), statutory and judicial time limits are interrupted until the end of 30 April 2020. Pending time limits shall restart on 1 May 2020. In addition, the time period between 23 March 2020 and end of 30 April 2020 shall not be considered in the period in which an action or application is to be brought before a court or a declaration is to be made, e.g. in the calculation of periods of limitation. As long as COVID-19 pandemic response measures are in place, oral hearings shall only be held under certain conditions. Adequate technical means of communication (i.e. video conferencing) shall be used to hold urgently required consultations or oral hearings. Similarly extensive measures are in place with respect to penal court proceedings.

Commercial law measures

- COVID-19 Measures Act (first COVID-19 legislative package)

This new law provides the basis to close business in the trade and service sector by ministerial directive in order to prevent the spread of the pandemic. These businesses are hence not entitled to loss compensation that would have normally been granted if the business was closed under the Austrian Epidemic Act. Economic loss and financial difficulties of these companies shall be taken care of by other liquidity and financial support measures introduced in the COVID-19 legislative packages.

- Limitation of default interest and exclusion of collection costs

With respect to a delay in payment that is a consequence of the COVID-19 pandemic, regardless of deviating contractual agreements, the statutory interest will be due and the debtor is not obliged to reimburse the costs of extrajudicial collection or recovery measures. This means a default interest cap at 4% pa.

- Exclusion of contractual penalties

Provided the contract was concluded before 1st April 2020, the debtor is not obliged to pay an agreed contractual penalty in the event of default (regardless of any negligence), if – as a result of the COVID-19 pandemic – he is either significantly affected in his economic performance or is unable to provide his services due to the imposed restrictions on working life.



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If the delay is also caused by other reasons, the contractual penalty shall only be released proportionally. This limitation shall apply until 30 June 2022.

- Intellectual property protection - extensions of time limits

Time limits in IP rights related proceedings are partially judicial time limits (see above) and partially specific statutory time limits, that do not fall under standard administrative regimes. Accordingly, in addition to a regulation issued by the Patent Office, these further time limits are - in general - inhibited, i.e. they do not start again. Any time limits resulting from EU directives or EU regulations take precedence over these national regulations. Effects of this law shall end with end of 2020, considering the highly sensitive area of intellectual property protection.

Energy law measures

- Continued servicing

Following a meeting with the Federal Minister for Energy, the Austrian energy business (electricity, natural gas, district heating) has - on a voluntary basis - announced that on a temporary basis until 1.05.2020 private persons and small enterprises will not be cut off from vital energy supplies in case they cannot pay their energy bills.

Other law departments measures

- Liquidity and financing support

The COVID-19 legislative packages provide for significant means to provide financial support for

entrepreneurs and companies experiencing temporary financing and liquidity difficulties resulting from the COVID-19-pandemic. Core measure is the COVID-19 crises management fund (worth EUR 28 billion) and additional tax relief measures (worth EUR 10 billion). Liquidity and finance support is split up in:

- EUR 4 billion Immediate Relief Fund, including a special hardship fund (worth EUR 2 billion) dedicated to fund a wide range of small to micro-enterprises, EPU's, freelancers, certain non-profit organizations, independent professionals, farmers etc. The fund shall provide rapid assistance in cases where the loss of income endangers the ability to meet daily living expenses. It will provide companies direct aid as immediate financial support in the event of acute liquidity shortfalls and economic hardship.
- The special COVID-19 Relief Fund (worth EUR 15 billion) is dedicated to ensure the economic survival of companies by rapidly providing financial resources: The focus is on companies and sectors that face economic difficulties as they have had to close down completely or that are experiencing a major decline in sales. Companies that carry out their main operating activities in Austria and whose liquidity requirements are in Austria are eligible for guarantees and/or a direct operating subsidy.



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Guarantees cover 90% of working capital loans with a maximum amount of EUR 120 million (or 3 months' turnover) with a term of 5 years with an additional 5 years extension. Guarantees are subject to the covenants that the payment of bonuses is only possible to a limited extent (not exceeding half of the previous year's amount) and the liquidity assistance may not be used for distributions in the period from 16.03.2020 to 15.03.2021. Applications for working capital loans are expected to be possible via banks starting from 08.04.2020.

Tax-free and non-repayable operating grants may be applied for by Austrian companies that face a significant drop of turnover of at least 40% at year end. The amount of the grants depends on the extent of the drop in turnover (25% to 75% of the reduction) and is capped at EUR 90 million. Subsidies will, in particular re: companies with more than 250 employees, be subject to the condition that the company has taken all reasonable measures to preserve jobs, i.e. short time work. Registration for operating grants will be possible between 15.04.2020 to 31.12.2020; an application, however, can only be made after the annual accounts for the current financial year has been drawn up.

- Transparency database to make subsidies traceable

In order to provide an overview of the benefits granted under the COVID-19 pandemic response measures, all

subsidies such as cash grants, loans, guarantees and contributions in kind are to be entered in the federal transparency database.

- Banking - Statutory moratorium

The revised COVID-19 Justice Accompanying Measures Act provides for significant relief for consumers and micro-entrepreneurs, if, as a result of the COVID-19 pandemic, the consumer suffering a loss of income is unable to provide the debt service owed, or in case of micro-entrepreneurs, debt service would jeopardies the economic basis of their business. In such case, all claims of the lender for principal and interest which become due between 01.04.2020 and 30.06.2020 are deferred for three months from the due date. Collateral that is limited in time will also be extended. Acerbations may not be declared until the expiry of the deferral. Parties are required to reach an agreement for the period after June 30, 2020, and may also reach deviating agreements.

- Banking - Preference under insolvency law for bridge loans

Provided a bridge loan in the amount of a COVID 19 short-time work allowance is granted during the period in which the obligation to file for opening of insolvency proceedings is suspended (see below), and further provided the allowance, once received, is used to repay the bridge loan, such repayment is not subject to avoidance.



■ Insolvency Proceedings

The fourth COVID-19 legislative package clarifies that the extensions of procedural time limits provided for under the first COVID-19 judicial measures package do not apply to insolvency proceedings. Under to the new regime, time limits restart with publication of the new law, and the insolvency court is authorized to extend statutory time limits by 90 days. Specific approval by affected parties is required if the 6 month's grace period is to be extended. All extensions as well as other relevant decisions by the insolvency court are to be published (exclusively) in the specific insolvency database (Ediktsdatei). In addition to the extension of the deadline for filing for insolvency to 120 days (instead of 60 days) in case of a natural disaster (including the COVID-19 pandemic), the general obligation to file for insolvency due to over-indebtedness has been fully suspended until 30.06.2020. If the debtor is still over-indebted on 30.06.2020, insolvency has to be filed for at the earlier of 60 days following the cut-off date, or 120 days following onset of over-indebtedness.

■ Exemption from the Austrian Stamp Duty Act.

No stamp duties shall be levied for applications for emergency support and/or legal transactions taken under the COVID-19 pandemic response measures. The exemption shall be in effect retroactively beginning March 1, 2020.

Customs' measures

No specific COVID-19 pandemic response measures, other than a delay of the reorganization of the structure of the customs office. Tax on alcohol shall be refunded by the customs' office where alcohol is used for the production of disinfectants and it has been demonstrated that the tax has been paid and the alcohol has been used in the tax territory for the eligible purpose.

Controversies

- Company closures and provincial bans on entry based on the COVID-19 Measures Act

The scope of the statutory power to issue ordinances to provincial governors under the COVID-19 Measures Act is controversial. In particular when a "prohibition of entering" have the same de facto effect as company closures. The basis of the dispute is the central effect of the COVID-19 Measures Act, i.e. excluding all measures related to the COVID-19 pandemic from the scope of the Epidemic Act, thereby eliminating applicability of the unlimited liability of the Republic of Austria for the economic consequences of such measures.

Other measures

As of the date hereof, the Austrian legislator by way of five comprehensive COVID-19 legislative packages has amended more than 100 laws and introduced several new acts with a view to provide the statutory basis for COVID-19 pandemic response measures.



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In addition to those measures addressed herein, special emphasis has been directed to mitigate effects of the COVID-19 pandemic on the Austrian educational system, including schools and universities. Further, the legislative packages provide for extensive rights of the various Federal Ministers to issue directives tackling new developments.



Tax Tracker

Indirect Tax Measures

- VAT
 - Automatic deferral of the filing of VAT returns, IC listings and client listings

The annual client listing (deadline 31 March 2020) has been extended until 30 April 2020. Taxpayers who have ceased their activity must file the client listing by the end of the 4th month following the cessation of the VAT activity.

Starting taxpayers or holders of a monthly VAT refund license who benefit from the monthly refund of their VAT credit are also granted a postponement, but only until the 24th of the month following the reporting period.

- Automatic deferral of payment of VAT

The payments related to the VAT-return of February is postponed to 20 May 2020. The payments related to the VAT-returns of March and the first quarterly VAT-return is postponed to 20 June 2020.

Corporate Income Tax measures

- The corporate income tax, legal entity tax and non-resident company tax returns of taxpayers is postponed to Thursday 30 April 2020. This additional period only applies for tax returns with a filing deadline of 16 March.

- As for the payment of corporate income tax, non-residents' tax and legal entity tax, an additional period of 2 months will automatically be granted, on top of the normal payment period and without charging interest for late payment (assessment year 2019).

This is applicable to tax settlements related to financial year 2019, established as from 12 March 2020. In addition to this automatic deferral, each taxpayer can request additional delays, waiver of interests for late payments and/or discounts on fines for non-payment of unpaid CIT liabilities, assessed prior to 12 March 2020.

- Tax deductible provision for bad debtors can be booked for each individualized debtor which encounters liquidity problems and payment difficulties as (in)direct result from the federal government measures to counter the spread of the virus Covid-19.

The Belgian tax administration announces flexibility while reviewing the recovery difficulties for each company debtor whereby the turnover decreased significantly as result of the restrictive measures imposed by the federal government.



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Companies with an accounting year-ending after 16 March 2020, can take into account this flexibility for the CIT prepayment, tax provision and/or tax return filing.

- Specific measures for Tax Shelter audiovisual works and Tax Shelter performing arts: for the performing arts the current term for expenditure (to 24 months) is extended by 6 month and for the audiovisual sector (to 24 months for animation), after demonstrating that the producer has suffered direct damage as a result of the measures taken by the public authorities to combat the coronavirus.

Other Taxes

- Personal Income Tax

Automatic extension of the personal income tax payment term with an additional period of 2 months regarding the payment of personal income tax, without charging interest for late payment.

In addition, companies can also apply for aid measures concerning the payment of debts relating to withholding tax and VAT.

Through this request, additional payment periods, an exemption from late payment interest and/or a remission of fines for late payment can be granted. An application must be submitted before 30 June 2020

- Wage Tax

Companies can still pay social security contributions for the first and second quarter until 15 December 2020.

For some sectors which were affected by a compulsory closure, this will be automatically applied, Companies that are closed because they are unable to comply with the sanitary measures will be able to obtain a deferment on the basis of a statement of honor.

- Regional aid

- *Flanders*

The Flemish tax authorities have also implemented certain fiscal support measures to offer extra flexibility to businesses and citizens in this difficult period:

- Property tax: the property tax assessments for assessment year 2020 will be sent as from September 2020 (instead of May 2020).

- Traffic taxes: businesses are granted an additional 4 month deferment of payment for traffic taxes for assessment notices which they have already received,

- Inheritance tax and registration tax obligations: grant of a tolerance period in which they grant an extension of 2 months after the end of the period in which the stricter corona measures apply. During this tolerance period, no tax increases will be imposed because the initial deadlines will be exceeded.



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- *Brussels*

Brussels has suspended the collection of the City Tax due for the for the first 6 months of 2020.

- *Wallonia*

The Walloon government implemented a general rule that there is an extension of the payment term equal to the period of the COVID-19 crisis for all regional taxes, which is currently set at April 19, 2020.

Customs Measures

None

Tax Audits and Controversies

Physical tax audit meetings at company seat or tax administration are cancelled until further notice on a possible new post-Corona date.

Other Measures

- Labour law

The company can rely on the system of temporary unemployment due to force majeure or economic reasons (in case of a substantial drop in production, turnover or orders as a result of the corona virus).

Under this flexible regime, employees will receive an allowance of up to 70% of their salary (capped at 2.754,76 EUR). In both cases a specific procedure needs to be followed.

- Premiums and loans

- A disruption premium and corresponding closing premium can be requested by businesses forced to close down and having their registered seat in Flanders for a premium up to 4.000 EUR (exempt from personal and corporate income tax). A business having to stay closed completely after April 6, 2020, can receive a supplementary allowance per closed day as of April 6, 2020, up to 160 EUR.

An equivalent premium exists for companies with its registered seat in Brussels or in Wallonia.

- Entrepreneurs having their registered seat in Flanders, not obliged to close their business due to the COVID-19 measures, who suffer severe decrease of their turnover can be entitled to a premium up to 3.000 EUR.

- Small enterprises with a registered seat in Flanders, with a focus on start-ups and scale-ups can request to apply for a subordinated loan for a period of 3 years if the company was financially 'healthy' prior to the Corona-crisis and still employs all its employees or has an effective employment degree of minimum 80%.



Tax Tracker

Indirect Tax Measures

- Tax deferral, additional deferral deadline, instalment payment and general information

The possibility of deferring tax payments and / or paying tax debt in instalments has been introduced if the business is at risk.

Tax deferral includes all taxes and other public duties (contributions, fees, concession fees, etc.) with the exception of customs and excise duties, which will be due in a period between 20 March and 20 June 2020 and for which three month payment deadline deferral will be approved. Late payment interest will not be due during this period.

Furthermore, there is also possibility of an additional 3-month deadline prolongation for both deferred tax liabilities and new tax liabilities (if these extraordinary circumstances will last longer than expected).

Deferral of tax payment can be used by entrepreneurs, i.e., individuals, entities which perform commercial activities and also:

- make it probable that they will not be able to settle due tax liabilities (a decrease in income / receipts of at least 20% in a previous month compared to same month last year), and

- do not have any outstanding tax debt (greater than HRK 200, approx. EUR 25) at the moment of applying for a deferral of tax payment.

If the taxpayer will be unable to settle tax liabilities at their prolonged due date, there will be possibility to apply for a monthly instalment payment of liability for a period of up to 24 months (without a late payment interest charge).

▪ VAT

Concerning indirect taxes, tax deferral is only applicable for VAT. In addition, to the above mentioned, the payment deferral for VAT can only be used by entrepreneurs having generated less than HRK 7.500.000,00 approx. EUR 1 mil. (excluding VAT) with respect to its supplies of goods and services in the last year. Measures are only available for regular VAT-payers, using standard VAT accounting method and having troubles with revenue collection. Measures do not apply to February VAT obligation.

▪ Possible new VAT measures

There is currently ongoing discussion in the Croatian parliament on a second round of extraordinary tax measures, which we believe should be implemented during next week.



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As opposed to the current rules where VAT deferral measures were intended only for VAT-payers which had supplies up to HRK 7.5 million in the previous year, the new proposal extends the scope of the measure to VAT-payers with supplies above HRK 7.5 million last year whereby VAT payers will be liable for VAT only for the part of their sales supplies which they have successfully collected from their buyers.

Additionally, the new proposal stipulates implementation of import VAT settlement via a reverse charge mechanism, where there is no VAT charge on imports, however the liability is noted in the VAT return, along with input VAT so there is no negative cash-flow effect for the entrepreneur.

Also, the proposal intends to introduce VAT exemption for donations of equipment, both domestic and from imports.

Corporate Income Tax Measures

For corporate income tax, there is also the possibility for a tax deferral and payment of tax debt instalment as mentioned in a previous section (under the same conditions).

- Reduction of CIT and PIT advances

For entrepreneurs greatly affected by an outbreak, it will be possible to request reduction of CIT advances under certain conditions.

- Possible new measures with respect to the CIT

There is currently ongoing discussion in the Croatian parliament on a second round of the extraordinary tax measures, which we believe should be implemented during a next week.

All taxpayers who are prohibited from work, or if their work is impeded or significantly burdened, will be wholly or partially exempted from paying public duties that will be due in April, May and June 2020 under certain conditions (which are to be prescribed).

In addition, The following deadline extensions have been announced:

- Extension of deadline for submission of financial statements for 2019 (from 30 April to 30 June 2020),
- Extension of the deadline for submission of all related tax returns, including the corporate income tax return (announcement of additional details is expected soon).

Other Taxes

- PIT and other taxes

Tax deferral and debt payment in instalment includes PIT, contributions and other public duties (tourism contribution, fees, concession fees, etc.) with the exception of customs and excise duties, which will be due in a period between 20 March and 20 June 2020 and for which three month payment deadline deferral will be approved. Late payment interest will not be due during this period. Above mentioned rules under section Indirect taxes applies here as well.



Customs Measures

None

Tax Audits and Controversies

- Subsequent audit of the facts stated in the request for a tax deferral

The Tax Authority may carry out a subsequent audit of the facts set out in the request pursuant to which the entrepreneur has been granted tax deferral measures. In doing so, if the Tax Authority subsequently determines that it is not likely that the conditions for granting the tax deferral measure have been fulfilled, it will revoke granted measures.

Furthermore, if the Tax Authority subsequently determines that the entrepreneur:

- misrepresented the facts in a request and / or
- acted contrary to tax provisions and / or
- misused tax payments to obtain unlawful material gain

it shall inform the applicant thereof and charge him with a late payment interest on a tax liability for which he has been granted a deferral of tax liability.

Other Measures

- Non-taxable grants

For corporate income tax and personal income tax purposes, grants received by taxpayers (companies and self-employment) used for mitigation of the outbreak's negative effects will be considered as non-taxable income / revenue.

- Earlier refund of a personal income tax

Individuals will be entitled to an early personal income tax refund. Specifically, tax refunds have been made mainly in mid-August so far, after the objection deadline has expired. In the future, the tax claim would be refunded at the time of delivery of the preliminary annual tax ruling (which is usually issued in June), with maintaining the deadline for the right to object.

- Employment relief in a form of a salary subsidy

The Government of Croatia has implemented a salary subsidy measure (administered by Croatian Employment service) for certain activities which were greatly affected by the outbreak.

Under certain conditions, it will be possible to receive a monthly salary subsidy in the amount of HRK 3,250.00 (approx. EUR 430) for full-time employee or proportional amount for a part-time employee (based on working hours).

- Possible new measures with respect to the salary subsidy measure

The Croatian Employment Service's salary subsidy for businesses affected by COVID-19 will be potentially increased from HRK 3,250 (used for March) to HRK 4,000 (approx. 538 EUR) for April and May.

Also, it has been announced that employers which are users of the Croatian Employment Service's salary



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subsidy will be exempted from the costs of related contributions.

Such exemption could amount to HRK 1,483 (approx. EUR 200) for March, i.e. HRK 1,825 (approx. 240 EUR) for April and May (these relate to the mandatory contributions of the subsidized net salary). However, there are no clear instructions yet. It also remains unclear how employers' obligations to employees will be regulated, since mandatory pension contributions, income tax and surtax are legal obligations of employees, not employers (they are part of employees' gross salaries).

Tax Tracker

Indirect Tax Measures

- The system-wide remission of the fine for the late submission of the control report in the amount of CZK 1000, which originated between 1 March and 31 July, 2020. This is a measure where the companies do not need to submit individual requests.
- The remission of the fine for not submitting a control report upon notice, specifically for the period from 1 March to 31 July, if there will be a proven connection with the spread of COVID-19. This is a measure that is performed under the condition of the submission of an individual request.

Corporate Income Tax Measures

- The system-wide remission of the fine for the late submission of corporate income tax returns and the interest on late payments to 1 July 2020, at the latest. This is a measure where the company does not have to submit an individual request and no connection with the spread of COVID-19 has to be proven.
- The remission or cancellation of the June income tax prepayments for legal entities until 15 June 2020. This is a system-wide measure where it is not necessary to submit individual requests.
- Possibility of a loss carryback for the year 2020. The government is preparing a legislative proposal

where it will be possible to carry back a tax loss posted in a regular tax return for the year 2020 in the 2019 and 2018 tax periods, apparently in the form of additional tax returns. This measure will therefore not appear in the cash-flow of the individual companies until 2021, i.e. after the effects of the tax return and the assessed tax for the year 2020.

Other Taxes

- The remission of the fine for late tax claims in all cases where, on the basis of an individual request, the tax subject is remitted interest on the late payment, a deferral or the payment of the tax or the fine for not submitting a control report in instalments for reasons connected to the spread of COVID-19. These are cases where, for example, quarantine was placed on the company's key employees and their absence made it impossible to fulfil the tax obligations. The remission of the fine for the aforementioned conditions is not subject to the obligation to submit an individual request.
- The remission of fines for the late submission of tax returns for property transfer taxes and for the late payment or prepayment of property transfer taxes. This remission applies to all late tax returns with the submission period from 31.3 to 31.7.2020.



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The property transfer tax return can be submitted without a fine until 31.8.2020. At the same time, the interest for late payment or interest from the deferral of the property transfer tax. This is a system-wide measure and it is not necessary to submit individual requests.

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

- The stopping of the electronic sales records (ESR) for subjects falling into all ESR phases for the duration of the state of emergency and the following three months.



Tax Tracker

Indirect Tax Measures

- Postponement of payment of VAT

The payment deadline for large* companies' VAT payment is extended for 3 monthly instalments (the payments for March, April and May) by 30 days.

**Large companies are defined as companies with an annual sales tax exceeding DKK 50 million, and with a requirement of monthly filing.*

- March filing payment extended from 27 April to 25 May 2020
- April filing payment extended from 25 May to 25 June 2020
- May filing payment extended from 25 June to 27 July 2020

For small and medium sized companies the following current filing periods will be joint payment dates and can be stated as follows:

- 1st and 2nd quarter filing payment both due on 1 September 2020
- 1st and 2nd half year filing payment both due on 1 March 2021

The postponement of reporting deadlines is solely related to companies, which are liable for payment. Companies with a VAT amount receivable can still file their return before the deadline and any receivable VAT will be paid out as usual.

Corporate Income Tax Measures

Companies expected to have lower taxable income can apply the tax authorities to have their 2 yearly on account instalments reduced. This is a normal procedure, but the authorities are expected to ease on normal documentation.

Other Taxes

- Postponement of payment of A- and AM-taxes

A-taxes and AM-taxes (Labor market contribution) are taxes withheld every month by the Danish entities on behalf of its employees.

The payment deadline for all company sizes in regards to payroll taxes are also being extended for 3 monthly instalment but by 4 months.

Large companies:

- April filing payment extended from 30 April to 31 August 2020
- May filing extended from 29 May to 30 September 2020
- June filing extended from 30 June to 30 October 2020

Small and medium sized companies:

- April filing payment extended from 11 May to 10 September 2020
- May filing extended from 10 June to 12 October 2020
- June filing extended from 10 July to 10 November 2020

Do note that this is only extension of payment deadlines – deadlines for filing are unchanged.



Other Taxes

- Postponement of payment of B-taxes

According to the existing rules Self-employed persons has to pay B-income on a monthly basis on the 20th each month except for June and December.

Self-employed persons are able to reduce their expected profit so that the remaining 7 rates of B-income are reduced. Normal procedure but authorities are expected to ease on normal documentation.

The new rules postpone the April payment until 20 June and the Maj payment until 20 December.

Consequently, there are still 10 annual payments but the ones for April and May have been postponed.

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

- Relief packages

A number of relief packages have been launched:

- Compensation for salaries: The company plans to dismiss at least 30% of the staff or 50 employees.
- Compensation for business fixed costs: Turnover decline of at least 40% and for at least DKK 25,000 in fixed costs.

- Compensation as self-employed or freelancer: Less than 10 employees, for owners who own at least 25% and even work in the business, average revenue of DKK 10,000 per month.
- Compensation for cancelled or deferred events: For organizers who have cancelled or postponed one event with more than either 1,000 participants or 500 participants if the event was targeted to the specials risk groups.
- Special compensation for forced closure: Companies that the government has ordered fully closed will be compensated 100 percent for fixed costs during the period.
- The Travel Guarantee Fund (Rejsegarantifonden) is strengthened with a government guarantee of DKK 1.5 billion to help the travel companies. At the same time, the fund's purpose is expanded to compensate for cancelled trips.

Which package to use depends on specific factors also including which legal form the entity has, its registration etc. Specific rules apply to each package. Verifications have to be done by external and independent auditor.



Other Measures (cont'd)

- Increase of cash limit on the tax account

By default, any tax receivable on the entity's tax account is automatically returned to the entity. The entity may opt for a delay, whereby receivables will remain on the tax account for an amount of up to DKK 200,000.

Due to the postponement of the payment deadlines for direct and indirect taxes, entities may face negative interests if taxes are kept on the company's bank account for a longer period.

Therefore, businesses may opt for an increased cash limit on the tax account of up to DKK 10 million.

The increase of cash limit on the tax account is applicable from 25 March 2020 through 30 November 2020. Subsequently, the limit will be DKK 200,000 as usual.



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Indirect Tax Measures

- Payment and declaration of Value Added Tax (VAT) is not postponed.
- The DGFIP has instructed its departments to accelerate the refund of VAT credits.
- To simplify the obligations of taxpayers during the containment period, they can declare for March 2020 (VAT return to be filed in April 2020) and April 2020 (VAT return to be filed in May, if the containment period is postponed) 80% of the VAT due in February (50% for taxpayers who are highly impacted by the containment). Regularisation of the VAT due will occur after the containment period.
- Paper invoices can be scanned and sent as PDF files without being sent in their paper form. The right to deduct VAT is maintained, even if the scanned invoice received is not an original according to French tax rules.
- Medical devices linked to COVID-19 can be imported free of VAT (see below for customs duties).

Corporate Income Tax Measures

- Deferral of payment of tax installment without penalty. Companies (or accountants acting on behalf of their clients) may request from the tax authorities

- (Service des Impôts des Entreprises, SIE) to defer the payment of their next direct tax installments (corporate tax) without penalty.
- Corporate income tax (CIT) payments can be delayed for 3 months upon demand without any justification.
- Rebate can also be obtained upon justification.
- The CIT returns for fiscal years closed on December 31, 2019 can be filed until May 31, 2020 (instead of May 20th).
- The balance payment of CIT can already be declared if companies wish to ask for the refund of tax credits (for example, receivables linked to research tax credit and tax credit for competitiveness of 2016).

Other Taxes

- Levy on the added-value of enterprises (CVAE): payment can be postponed for 3 months without justification. A rebate can be obtained upon justification. The limit date to file the returns has not been postponed.
- Tax on wages ("taxe sur les salaires"): payment can be postponed for 3 months without justification. A rebate can be obtained upon justification. The limit date to file the returns has not been postponed.



- Personal income tax: the limit date to file personal income tax returns have been postponed. Depending on where the taxpayers is domiciled, the limit date to file the return ranges between June 4th and June 11th. For foreign tax residents, the limit date is June 4th.

Customs Measures

Customs duties exemption on imports of devices dedicated to the COVID-19 crisis, in application of the Decision of the European Commission dated April 3rd, 2020. This exemption applies to protection devices (masks, etc) and specific medical equipment and devices, only if they are imported by humanitarian associations and States (and entities deriving from States). For imports from States, the exemption only applies if the devices are granted for free to people in need (suffering from COVID-19, or exposed to COVID-19 or acting to cure or reduce the propagation of COVID-19).

Tax Audits and Controversies

The Ordinance n° 2020-306 of 25 March 2020 relating to the extension of the deadlines during the period of health emergency and the adjustment of procedures during the same period modified the deadlines relating to tax auditing which are suspended.

- Deadlines on Fiscal prescription granted to tax payers over tax audit on 31 December 31st 2020, are suspended.

- The suspension applies not only to corrections but also to interest on late payment, penalty charges and fines.

Practically speaking, the deadlines for tax recovery expiring on 31 December 2020 are concerned, in particular for :

- the six-year prescription provided for in Article L.186 of the LPF.
- the three-year prescription provided for in the first paragraph of Article L.169 of the LPF, Article L.176 of the LPF and Article L.180 of the LPF.
- the ten-year prescription provided for in the 2nd and 5th paragraphs of Article L. 169 of the LPF, the 2nd paragraph of Article L. 176 of the LPF and Article L. 181-0 A of the LPF.

Therefore, the deadline for legal audit period of the administration is postponed for the period between 12 March and one month after the date of cessation of the state of public health emergency for the year ending 31 December 2020 only, regardless of the date on which the control is initiated.

Time limits for the tax audit period expiring after 31 December 2020 are not affected by the suspension, even if the control in progress would cover several years, including one for which the time limit for intervention period would expire on 31 December 2020 (for example 2017, 2018 and 2019 with application of the three-year statute of limitations).

Example 1:

- Estimated date (used for the example because not known on 1 April 2020) of the end of the state of public health emergency: May 4th. Date of the end of the suspension: 4 June. Calculation of the duration between March 12th and June 4th: 85 days. In order to effectively interrupt the prescription period for the year 2017, the tax notification must reach the taxpayer no later than March 26th, 2021 (December 31, 2020 + 85 days)."

Example 2:

- A tax notification sent to the taxpayer on December 15th, 2017 duly interrupted the three-year limitation period for the year 2014 and opened a new three-year period during which the administration can collect the additional taxes. This period, which usually expired on December 31, 2020, will expire on March 26th, 2021 (2017+3 years+85 days) due to the suspension related to the state of health emergency.

Other Measures**1. Social measures**

- Deferral of payment of social security contributions without penalty. Employers can defer the payment of all or part of their employee and employer social contributions due to URSSAF by March 15, 2020, for up to three months, without incurring any penalty.

- Possible rebate of tax and social security charges. In the most serious situations, direct tax and social security rebates may be granted, on a case-by-case basis, after an individual review, as confirmed by Minister of Economy and Finance Bruno Le Maire in a press conference held on March 17, 2020.

2. Mobilization of BPI France

- 90% guarantee for loans between three and seven years granted by French private banks to affected companies.
- Guarantee of up to 90% of the bank overdraft if the bank confirms the overdraft over a period of 12-18 months.
- Offer of unguaranteed loans between three to five years of €10,000 to €5 million for SMEs and several tens of millions of euros for "mid-cap" companies (ETIs), with a significant delay in repayment.
- Monetisation of all receivables for an amount of up to 130% of the receivables' amount.
- Suspension of repayments for loans granted by Bpi France as of March 16th, 2020.
- Support for the handling of conflicts with customers or suppliers by a business mediator



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- Support from the state and the Banque de France (credit mediation) to negotiate a rescheduling of bank loans with the relevant bank. Mobilisation of the French public investment bank (Bpi France) to guarantee bank lines of credit that companies may need because of the epidemic. In a speech on March 16, 2020, French President Emmanuel Macron mentioned “state guarantees of up to €300 billion for all bank loans.” This was confirmed by the Minister of Economy and Finance Le Maire during his press conference of March 17, 2020.

3. 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, you can request reimbursement from the (Corporate Tax Department) once the direct debit has been made.

4. 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.

5. Measures in favour 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.
- The state’s recognition of COVID-19 as a case of “force majeure” for its public contracts. Consequently, in respect of all state public procurement contracts, penalties for delays will not be applied.

6. Economic and financial measures

The government is empowered to take all the following measures:

- Implementation of measures to support the cash flow of people whose viability is questioned and creation of a solidarity fund to be shared with the regions; (Article 11-I-1°-a).



- All companies whose turnover is less than 1 million euros and which are facing a loss of more than 70% of their turnover in March 2020 comparatively to March 2019 will be eligible.
- The fund will also be used to compensate very small companies and self-employed people, through a fixed amount of 1,500 euros, upon simple request to the DGFIP.
- Amendment of the obligations of private companies towards to their customers and suppliers, as well as cooperatives with regard to their members (deadlines, penalties and nature of compensation; contracts for the sale of travel and accommodation are particularly affected) (Article 11-I-1°-c).
- Adjustment of the rules relating to the law over companies facing difficulties and bankruptcies and insolvency procedures; (Article 11-I-1°-d).
- Postponement of the date of the deferment of any rental eviction order for the year 2020. (Article 11-I-1°-e).
- Adjustment of the rules for granting, payment periods, performance and termination public contracts and the public procurement code (contractual penalties); (Article 11-I-1°-f).

Introduction of support measures for microenterprises affected by the crisis by providing for :

- The possibility of deferring in full or spreading out the payment of rents and energy bills relating to professional and commercial premises; (Article 11-I-1°-g).
- The extension of the period during which water and energy suppliers may not suspend, interrupt or reduce the provision of their services and to waive financial penalties; (Article 11-I-1°-g).

7. Emergency administrative and jurisdictional measures

- Adaptation of the time limits applicable to declarations and requests submitted to administrative authorities, of the time limits for consulting the public or any body or authority prior to the taking of a decision by an administrative authority, of the time limits within which such a decision must be taken, as well as of the time limits for carrying out by any person of controls, works and prescriptions of any nature imposed by laws and regulations unless they result from a court decision. (Article 11-I-2°-a).
- Adjustment, suspension, interruption or postponement of the time periods provided for failing which they shall be invalid, invalidity, foreclosure, prescription, unenforceability, forfeiture of a right, ending of an approval or authorisation or ending of a measure, with the exception of measures involving jail sentences and penalties. (Article 11-I-2°-b).



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These measures are applicable as from 12 March 2020 and may not exceed three months after the end of the administrative police measures taken in order to reduce the spread of the epidemic.

Adjustment of the functioning of private companies:

- (i) Simplification and adaptation of the conditions under which meetings and governing bodies meet and deliberate; (Article 11-I-2°-f).
- (ii) Simplification, clarification and adaptation of the rules relating to the preparation, adoption, audit, review, approval and publication of the accounts and other documents that they are required to file or publish, as well as the rules relating to the allocation of profits and the payment of dividends; (Article 11-I-2°-g).
- (iii) Adaptation of real estate law governing the condominium of buildings (impossibility of convening general meetings of condominium for the appointment of trustees); (Article 11-I-2°-j).



Tax Tracker

Indirect Tax Measures

With regard to VAT, taxpayers might apply for an extension of tax payments (tax payment deferral). This includes, in particular, tax payments in connection with the upcoming advanced Value Added Tax Return for March 2020, which is generally due on April 10, 2020 or May 10, 2020 (assuming a filing extension has already been granted by the tax office) or an application for a reduction/refund of the 2020 special VAT prepayment (1/11 of last years VAT total VIAT Liability), which was due on February 10, 2020. VAT total VIAT Liability), which was due on February 10, 2020. According to our information it should be possible to defer VAT payments for a period of up to three months without suffering interest or any other penalties.

Corporate Income Tax measures

A refund of already paid income taxes might be applied for in case certain requirements are met. This relief, however, is limited to tax prepayments made for the year 2020 relating to Personal Income Tax, Corporate Income Tax, Trade Tax and Solidarity Surcharge.

In order to make use of such benefit the taxpayer has to file an application for a reduction of income tax or trade tax prepayments with the local tax office (an additional application with the local city or municipality is not required).

The same procedure applies with regard to all future tax prepayments relating to the year 2020.

Other Taxes

■ Wage Tax

A tax payment deferral for wage tax purposes is not possible.

■ Excise and transport duties - measures to mitigate economic damage

In order to mitigate the considerable economic damage caused by the COVID-19 crisis in Germany, the Federal Ministry of Finance has adopted a package of measures. In the case of the taxes regulated by federal law and administered by the customs administration, the main customs offices have been instructed to make appropriate concessions to taxpayers. This includes the following excise and transport taxes and is intended to avoid undue hardship for the taxpayers concerned:

- Air transport tax
- Energy tax
- Electricity tax
- Tobacco tax
- Coffee tax
- Beer tax
- Alcohol tax
- Alcopop tax
- Sparkling wine tax
- Interim product tax
- Motor vehicle tax

Therefore, the following measures come here into consideration:



- **Deferments:** A deferral can postpone the legal due date of the tax claim. The obligation to pay the tax remains unaffected. Deferral applications can be submitted until 31 December 2020 for taxpayers who can prove to be affected to a considerable extent by stating their circumstances. The taxes must already be due or become due by this date. Applications for deferral of taxes due after 31 December 2020 must be specially substantiated.
- **Deferral of execution:** If enforcement measures are currently threatened, a request for a stay of execution can be made, stating the current situation of the debtor.
- **Advance payments:** Until 31 December 2020, taxpayers who are demonstrably and not inconsiderably affected may submit a request for adjustment of the advance payments determined to date by stating their circumstances.
- **Requirements:** In order to ensure that applications are processed quickly, they must be duly substantiated and the connection with the COVID-19 crisis must be demonstrated in a credible manner. The main customs offices will process applications as accommodatingly as possible.

Customs Measures

- **General customs clearance**

There are currently no restrictions on customs clearance due to the COVID-19 crisis. The local authorities also have concepts for maintaining customs clearance, so that even in the event of failure scenarios at individual locations, a clearance option is basically guaranteed.

In order to ensure that customs clearance continues to run smoothly, it is recommended that approved simplifications are used continuously.

- **Customs clearance of medical equipment and materials as relief goods**

In principle, charitable organisations or civil protection organisations are authorised to import medical equipment and materials as relief goods free of duty.

Due to the exceptional situation of the pandemic, the circle of importers has been opened.

Individuals, economic operators and governmental organisations who are involved in the fight against the pandemic, although they are not currently formally recognised charitable organisations, may also import relief items and apply for duty exemption of relief items.

The current exceptional situation serves to ensure the fastest possible availability of the required relief supplies on site.



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The exemption is granted subject to the following conditions:

- Supply to beneficiary institutions free of charge.
- Appropriate use (emergency medical care for COVID-19 risk groups).
- No resale or other commercial use.

■ Foreign Trade Law

As of 3 p.m. on 19 March 2020, there are no longer any national export and transfer bans on medical protective equipment, which was previously subject to restrictions under the repealed order. Irrespective of this, since 15 March 2020 there have been EU legal licensing requirements for the export of medical protective equipment on the basis of the implementing regulation (EU) 2020/402.

■ Emergency EORI application

The German General Directorate of Customs set up a preferential granting process of an EORI number for aid shipments. Economic operators who do not have an EORI number, but who urgently need one in the context of the Corona crisis for the clearance of consignments of goods (e.g. for the dispatch of relief supplies, protective suits, masks, gloves, medical products) can send the application for an EORI number to the following German e-mail address:

Notfall-EORI.gzd@zoll.bund.de

Tax Audits and Controversies

None

Other Measures

- Social Security contributions

Generally, payment of Social Security Contributions can be deferred (§ 76 SGB IV). However, the Social Security Tax Authorities have not yet published any guidance on how to deal with the challenges of the current COVID-19 crisis. Payment extension applications can be filed, but decisions by the authorities are currently on hold. Please consider that applications must be filed with every individual health insurance company separately. Therefore, it might be necessary to file numerous applications.



Tax Tracker

Indirect Tax Measures

- VAT reduction to 6% from 24% on products needed to protect against COVID-19. More specifically, the reduced VAT rate will be charged on the following products: surgeon masks and gloves, antiseptic solutions, soap and other personal hygiene products and ethanol (in case it is used as a raw material for the production of antiseptic solutions).
- Extension of deadlines for the payment of VAT liabilities and suspension of payment of certified VAT liabilities and installments, that expired or will expire between 11 March to 30 April 2020, free of interest or surcharges until 31 August 2020.
- Suspension of collection of certified and due debts emerging from VAT statements that are expected from 11/03/2020.
- Extension of deadlines for the submission of capital duty and stamp duty returns whose deadline expires within March and April 2020 for 2 months respectively.
- Extension of suspension of VAT payment for September and October for businesses that had transactions with "Thomas Cook Group PLC.
- For businesses adversely affected by the outbreak and spread of COVID-19, the deadline for the payment of VAT may be prolonged,

while the collection of VAT due may be suspended. During the aforementioned prolonged period, no interest or surcharges on the VAT amounts due will be charged.

Corporate Income Tax measures

- Provision of a 25% reduction on certified tax liabilities from April 2020, if they are paid in due time. The reduction does not apply on VAT amounts and WTH due.
- Accelerated refunds of up to EUR 30,000 for income tax and VAT for all open tax audit cases, as of 20 March 2020.
- Extension of deadlines for the payment of tax liabilities and suspension of payment of certified tax liabilities and installments that expired or will expire between 11 March to 30 April 2020, free of interest or surcharges until 31 August 2020.
- Suspension for 4 months of business taxes and insurance contributions by freelancers and self-employed individuals, as well as installments for settlement of past debts to the tax offices and insurance funds. They concern companies which are severely affected by the emergence and spread of COVID-19, provided that they maintain their existing amount of jobs.

Other Taxes

- Suspension of the revision of the real property values. The 2020 Real Estate Property tax "ENFIA" will be based on the current



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regime and the new objective values will come into force next year.

- Extension of the deadline for the payment of tax liabilities and installments, which are due up to 31 March 2020 for 10 days, i.e. until 10 April 2020, for individuals over 70 years old or having a disability of over 80%.
- Suspension of payment of certified tax liabilities and installments, free of interest or surcharges for four months and for individuals eligible to receive the financial support of EUR 800.
- Provision of a 25% reduction on certified liabilities if they are paid in due time for individuals eligible to receive the financial support of EUR 800.
- For affected businesses, the refund of tax advance payment amounting to EUR 1 billion is provided. This measure provides for an extended time for the repayment. A ministerial decision is anticipated for the implementation of this measure.
- Extension of the deadline for reporting of tax documents for the purposes of information cross-checking (MYF) until 20 June 2020. Specifically for correction of divergences, until 31 July 2020.
- Extension of the deadline for the submission of a property correction statement until 30 June 2020.
- Extension of the deadline for the submission of lease agreements and short-term accommodation notifications until 30 June 2020.
- Extension of the deadline for the submission of inheritance and gambling profits tax returns, as well as for donations and parental grants tax returns in cases a notarial document is not drawn up, whose deadline expires within March and April 2020, until 29 May 2020.
- Extension of deadline for the submission of lodging tax returns pertaining to records issued within February and March, until 29 May 2020 for records issued within February and until 30 June 2020 for those issued within March.
- Extension of the deadline for reporting of tax documents for the purposes of information cross-checking (MYF) for all businesses, until 20 June 2020. Specifically for correction of divergences, until 31 July 2020.
- Extension of deadline for the submission of the environmental levy for plastic bags return pertaining to the first quarter of 2020, until 30 June 2020.

Customs Measures

- New procedures for the facilitation of imports and exports are introduced, for as long as required. They concern all importers and exporters. Almost every procedure will be facilitated electronically via the ICIS net system.



Tax Audits and Controversies

- Suspension of provisional adjustment of tax or fine and definitive acts of adjustment of tax or fine until 30 April 2020.
- Suspension of enforcement of safeguards in the public interest. The suspension applies for as long as the measure of temporary, partial or total suspension of the operation of the courts and prosecutors of the country is maintained.
- Suspension of formulation by the taxpayer of opinions or objections regarding the temporary corrective determination of tax or fine until 31 May 2020.
- Suspension of "judicial appeal and request of suspension" before the Administration Courts for 2 months.
- Suspension of statute of limitations until 31 July 2020.
- Suspension of issues regarding public procurement contracts (e.g. postponement of initiation of public tenders, expansion of deadlines regarding the submission of application, etc.) until 20 September 2020.
- Suspension of deadlines regarding the filing of applications/administrative appeals before the Public Administration for 2 months, commencing from 11 March 2020.
- Amendment of the process regarding the issuance of certificates and other

administrative documents, as well as suspension of payment of any duties, fees etc. potentially required for their issuance until 20 September 2020.

Other Measures

- Extension of the deadline for the payment of social security contributions, which are due up to 31 March 2020 for 10 days, i.e. until 10 April 2020.
- Financial aid of EUR 600 in the form of a special training program for specific professionals (economists, accountants, engineers, lawyers, doctors, teachers and researchers only for April 2020.
- Additional salary paid to the employees whose employment contract is suspended because their employer suspended their employment contract, in addition to the exceptional state benefit of EUR 800, during the suspension period.
- Remote working for employees whose employment contract is suspended based on their employers' decision during the suspension period.
- Suspension of deadlines for payment of social security contributions pertaining to February and March 2020 for freelancers, self-employed and individual business owners. The payment of said contributions will be made in 4 monthly installments starting on 1 September 2020.



GREECE

- Suspension of payment of deferred or overdue liabilities to insurance funds, whose payment due date expires between March and May 2020 for freelancers, self-employed and individual business owners. The payment of said amounts will take place after 1 June 2020.
- Suspension of employers' obligation to declare in the "ERGANI" information system changes or modifications to working hours, as well as additional work and legal overtime for all businesses, from 11 March 2020 to 10 April 2020.
- Employers' unilateral decision in order for employees to work with the system of teleworking for all businesses from 11 March 2020 to 10 April 2020.
- An extension at maturity will be provided for post-dated cheques for seventy five (75) days from 30 March to 31 May 2020.
- Repayment of loan principal for performing business loans will be deferred until 30 September 2020.
- Repayment of loan principal by individuals will be deferred for three (3) months.
- Subsidy of the interest cost for performing loans for businesses that were affected by the crisis, for April, May and June 2020.
- New loans through the Entrepreneurship Fund of the Hellenic Development Bank with a 100% interest rate subsidy for businesses that were affected by the crisis and for two years.
- Payment of 60% of the rent of real estate property used for business purposes / employees' first residence for March and April 2020.
- Extension of the deadline for the publication of annual financial reports with a year ending on 31 December 2019, until 30 June 2020.
- The operation of the "Central Ultimate Beneficial Owners Register" information system is suspended until 30 June 2020.



Tax Tracker

Indirect Tax Measures

None.

Corporate Income Tax Measures

- Reduction of tax advance (not a new measure). This solution may come in handy in connection with the payment of monthly or quarterly corporate income tax advances, when the company can already foresee that, based on its revenues in the current tax year, its profits (and therefore also its tax payment obligation) will decrease.

Other Taxes

- Tax execution proceedings have been suspended until the 15th day following the end of the state of alarm ordered by the Government.
- Employers, sole traders or companies are temporarily exempted from the obligation to pay the 17.5% social contribution tax for the period between March and June 2020. This payment facility can be exercised for those actually pursuing business activities identified with specific business activity codes (e.g. hospitality, tourism, sport, taxi entertainment, cultural services, and broadcasting activities).
- The 15% personal income tax is not affected by the measures.

- The same group of taxpayers are also exempted from the obligation to pay the 1.5% vocational training contribution, and only have to pay two-thirds of the annual rehabilitation contribution (HUF 966,000/person/year).
- KATA taxpayers are also exempted from the obligation to pay KATA tax in the period of March to June 2020 in case of those actually pursuing specific business activities.

Customs Measures

- Hungary has filed an application with the European Commission for the relief of customs duties and VAT on imports of face masks, ventilators and other health protective equipment due to the emergency caused by the COVID-19 pandemic. No decision taken yet.

Tax Audits and Controversies

None.

Other measures

- Employment rules have become more flexible.
- A repayment moratorium has been introduced until the end of the year for all loans taken out by individuals and companies.
- The maturities of short-term business loans are extended until June 30 of 2020.



HUNGARY

Other Measures (cont'd)

- The maximum APR for consumer loans has been determined at a level no higher than five percentage points over the MNB base rate (0.9%).
- Eviction is forbidden and increasing rental costs are banned.
- Only Hungarian citizens and EEA citizens holding a Permanent Residence Card or a Registration Certificate and Address Card are allowed to enter the country.
- The Hungarian Parliament passed the Coronavirus Act, allowing the government to extend the emergency decrees indefinitely, or at least until Parliament decides to revoke this authorisation before the state alarm is over.
- The limit for paypass payments are allowed without a PIN code up to 15 000 Ft.



Tax Tracker

Indirect Tax Measures

- An EU Commission Decision (C (2020) 2146 of 3 April 2020) provides 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.
- Assistance in the format of cashflow relieving measures. Companies can apply to the Revenue Commissioners for a deferral of tax payment. Deferral can up for a period of up to 60 days.

Corporate Income Tax Measures

- Research and Development tax credit refunds are to be accelerated. Qualifying companies should have their tax returns up to date.

Other Taxes

- A wage subsidy scheme has been introduced. Broadly this provides that the Government will reimburse employers up to the lower of 70% of the employees net weekly salary or €410 per week. Where the scheme is opted for, the employer social insurance contribution will decrease from a rate of 11.05% to 0.5%

Customs Measures

- Critical pharmaceutical products and medicines will be given a Customs 'green routing' to facilitate uninterrupted importation and supply.
- A relief from Alcohol Products Tax will continue to apply to alcohol used in the production of a range of medicinal and other products, such as hand sanitisers. To benefit from this relief, producers must apply to Revenue to be authorised to receive alcohol for this purpose.

Tax Audits and Controversies

- Revenue audits and compliance interventions are to be cancelled until further notice.

Other measures

- Tax clearance certificates will remain in place for all taxpayers for the coming months.
- The processing of refunds and repayments is to be prioritised.



Tax Tracker

Indirect Tax Measures

- VAT payments due by 16th March are postponed until 20 March for businesses with a turnover about €2million per annum. For small businesses below this threshold, payments are postponed until 31 May. This applies to resident taxpayers only. (see for details also corporate income tax measures).
- All filings are postponed to 30 June, including the 2019 Annual VAT return.

Corporate Income Tax Measures

- Suspension of tax fulfilments:

A suspension period of tax fulfillments for the period between 8 March 2020 and 31 May 2020 is granted to Italian taxpayers. The suspended fulfilments shall be carried out within 30th June 2020 without the application of any penalty.

The following are excluded from the above provision:

- Tax payments;
- Withholding taxes also related to the regional and municipal tax.

For the time being, the delivery and electronic filing of the statements of withholding tax related to 2019 remains on 31st March 2020 (deadline already extended compared to the original deadline).

For taxpayers carrying out a business, art or professional activity, which achieved a total amount of revenues

or a turnover not exceeding 2 million in the previous fiscal year, the following payments, expiring in the period between 8th March and 31st March 2020, are postponed:

- Withholding tax on employee income and withholding tax on other incomes assimilated to employee income withholding taxes, also relating to the regional and municipal charges, in relation to which the aforementioned subjects operate as a withholding agent;
- VAT;
- Social security and welfare contributions and premiums for compulsory insurance.

The suspended payments shall be made, without the application of penalties and interest, in a single instalment by 31st May 2020 or split in five equal monthly payments starting from the same date.

For taxpayers that achieved a total revenue or fees not exceeding €400,000 in the previous tax period, the revenues and fees received in the period between 17th and 31st March 2020, upon releasing a specific declaration, are not subject to withholding taxes, provided that in the previous month they did not bear any expense for employee or similar work.

The suspended amounts shall be paid directly by the taxpayer, without the application of penalties and interest, in a single solution by 31st May 2020 or split in five equal monthly payments to be performed starting



ITALY

from the same abovementioned date. Further specific exemptions are, however, provided for taxpayers who are resident or in any case operating in territories subject to previous provisions on COVID-19.

- Financial measures to support enterprises (art. 55):

Companies that transfer within 31st December 2020 receivables towards defaulting debtors, which debts are older than 90 days, can convert the deferred tax assets (DTA) into a tax credit if related to:

- The tax losses carried forward;
- The allowance for corporate equity (ACE) carried forward.

The benefit deriving from the above components cannot exceed 20% of the face value of the receivables transferred. The latter can be considered for a maximum amount of 2 billion euro. The tax credit can be offset, without any limitation as to the amount, through the F24 Form or transferred or requested for refund.

The tax credit must be reported in the tax return and does not concur to the taxable basis for both corporate income tax and regional tax.

- Incentives for donations: (art. 66):

Donations made to support the measures against the spread of COVID-19 are deductible from the taxable

basis for IRES purposes, to the extent that they are made through foundations, associations, committees and entities. The same donations are

deductible from the taxable basis for IRAP purposes in the fiscal year in which the payment is made. Donations made by individuals are deductible from the gross tax, for an amount equal to 30% of the donation, provided that it does not exceed 30,000 Euro.

- Tax credit for sanitisation (art. 64)

In order to encourage the sanitisation of the workplace, as a preventive measure for the COVID-19 virus, a tax credit is introduced in favor of the subjects performing business, art or professional activities. The tax credit for the 2020 tax period is equal to 50% of the expenses incurred for sanitising workplaces and work appliances, up to a maximum amount of 20,000 Euro. The implementation of the tax credit is subject to the release of a forthcoming decree.

- Tax credit for retailers (art. 65)

In favor of taxpayers carrying out business activities, with the exception of the activities of trade in food and basic necessities as listed by the Decree of 11th March 2020, a tax credit equal to 60% of the amount of real estate rental expenses incurred in March 2020 is established (for the properties included in the cadastral category C/1). The tax credit can be used only through offsetting in the F24 payment form.

Other Taxes

See Corporate Income Tax section and Other Measure section.



For example for IRAP purposes (Regional Production Tax) the provisions are the same than those for Corporate Income tax.

- Tax credit for the rental of shops

Tax credits are granted to those who carry out business activities to be used exclusively as compensation, to the extent of 60% of the amount of the rent for the month of March 2020 relating to buildings in cadastral category C/1.

- Postponement of the payments in the gaming sector (art. 69)

The deadline for the payment of the single tax collection on the appliances and the concession fee expiring on 30th April 2020 are postponed to 29th May 2020. The amounts due can be paid in monthly instalments of the same amount, with the legal interest calculated on a day-to-day basis. The first instalment shall be paid by 29th May 2020 and the subsequent instalments by the last day of the month. The last instalment shall be paid by 18th December 2020.

Customs measures

- For 2020, the resources allocated to the remuneration of overtime services of staff of the Customs are increased by €8 million.
- Deferment of the time limits for the payment of the loads entrusted to the collection agent (art. 68) is applicable also to customs payments

Tax Audits and Controversies

- Suspension of the terms relating to the activity of the tax offices (Art. 67):

In the period between 8th March and 31st May 2020, the terms and deadlines for tax offices and, in general, tax authorities are suspended:

- with regard to liquidation, control, assessment, collection and litigation activities;
- to answer to ruling requests (e.g. ordinary, anti-avoidance, new investments, requests in the context of the collaborative compliance regime, etc.).

The deadlines for submitting supplementary documentation to the ruling requests are also suspended. The deadlines for the ruling already filed (which can only be submitted electronically) during the suspension period, start as of 1st June 2020.

No specific indication is provided in relation to the tax settlement procedures. So far, Tax Offices are respecting the regular deadlines (without taking into account the suspension period) and the confrontation with taxpayers is made remotely (by phone or e-mail). The statute of limitations and deadlines relating to the activities of the offices and tax authorities, expiring in the present year, i.e. 2020, are extended until 31st December of the second year following that of the suspension (i.e. to 2022 for 2015).



- Deferment of the time limits for the payment of the loads entrusted to the collection agent (art. 68):

The suspension of the terms of payments deriving from: (i) payment slips; (ii) enforcement notices; and (iii) debit notices issued by social security institutions falling due between 8th March 2020 and 31st May 2020.

The rule concerns payments relating to tax and non-tax revenues.

Obligations and suspended payments must be made in a single solution within the month following the end of the suspension period (i.e. by 30th June 2020). There shall be no refund of what has already been paid.

In addition, the following payment periods shall be postponed until 31st May 2020:

- payment due by 28th February 2020 relating to the scrapping of notice of payments (so-called scrappingter, Article 3(2)(b) and (23) and Article 5(1)(d) of D.L. no. 119/2018 and Article 16-bis(1)(b)(2) of D.L. no. 34/2019);
 - of 31st March 2020 concerning the to final instalment of the notice of payments (so-called “balance and write-off”, Article 1, paragraph 190, Law no. 145/2018).
- Tax disputes (art. 83):

The decree extends the official postponement (already introduced with Legislative Decree no. 11/2020 of 8 March 2020) of the hearings

scheduled for the period of 9th March - 15th April 2020. Furthermore, the decree suspends for the same period the terms for the filing of any brief or document related to the tax proceedings for which the decree provided for the mandatory deferral of the hearings. If the expiration date happens to be during the suspension period, the start of the expiration term is deferred to the end of the suspension period (i.e. from 15th April). It is also suspended the term to notify the appeal in the context of the first degree of the tax proceeding. A clarification is need in respect to the ongoing settlement procedure.

Other Measures

- Rules for shareholder's meetings (art 106):

It is established that companies may call an ordinary shareholders' meeting to approve the financial statements within 180 days by the end of the financial year (instead of the ordinary 120 days).

Further facilities have also been provided with the notice of call of the shareholders' meetings, both ordinary and extraordinary, spa, sapa, s.r.l. and cooperative companies may provide, also in derogation of the different provisions of the articles of association, the expression of the vote electronically or by correspondence and the participation in the shareholders' meeting by means of telecommunications.



ITALY

The aforesaid companies may provide for the meeting to be held, even exclusively, by means of telecommunications that guarantee the identification of the participants, their participation and the exercise of voting rights, without the need for the chairman, secretary or notary to be in the same place, where applicable; s.r.l. may also allow voting to be expressed by written consultation or by written consent.

Finally, please note that these provisions apply to meetings convened by 31st July 2020 or, if later, by the date until which the state of emergency relating to the health risk associated with the outbreak of the COVID- 19 epidemic will be in force.

- Deferment of withholding payments, social security contributions and insurance premiums for the sectors most affected by COVID-19 (art. 61):

For companies operating in the sectors most affected (i.e. freight transport, tourism-hotel, spa, passenger transport, catering and bars, cinemas and theatres, sports, education, amusement parks, events, amusement arcades and betting centers, national sports federations, sports promotion bodies, non-profit organisations of social utility, voluntary organizations and social promotion associations) the suspension until 31st May, of payments of withholding tax, social security and welfare contributions and VAT of March is triggered.

The suspended payments must be made, without the application of penalties and interests, in a single instalment by 1st June 2020 or in instalments up to a maximum of 5 equal monthly instalments, starting from May 2020. There shall be no repayment of what has already been paid.

- Financial measures for small and medium-sized enterprises (art. 56):

Micro, small and medium-sized companies can benefit of financial support measures in relation to the following debt exposures towards banks and financial intermediaries:

- the credit lines granted and the loans granted for credit advances cannot be cancelled until 30th September 2020;
- non-installment loans with contractual expiration before 30th September 2020 must be extended until 30th September 2020 under the same conditions;
- for mortgages and other loans with repayment in installments, the payment of installments or leasing installments due before 30th September 2020 is suspended until 30th September 2020, and the repayment plan of the installments is deferred in a manner that ensures the absence of new or greater charges for both parties.



ITALY

In this regard, the company has to provide a declaration that it temporarily suffered a shortage of liquidity as a direct consequence of the COVID-19 pandemic.

▪ Measures in the labor field:

Individual or collective dismissals for economic reasons suspended for 60 days (from 17th March to 16th May 2020). Dismissals are allowed for other reasons (just cause, failure of trial period, etc), provided that they are legitimate.

Promotion of smart-working with simplification of communication procedure.

Use of accumulated holidays (and not yet taken) on the initiative of the employer.

Access to social safety nets (CIG and FIS) following a motivated request. The main characteristics of these safety social nets can be summarised as follows:

- The employees' activity suspension or working time reduction shall be from 23rd February to 31st August 2020, also retroactively, for a maximum duration of 9 weeks.
- All employees can benefit from this treatment and the requirement must be in force on 23rd February 2020.
- The procedure for the request will involve the Unions even if mainly electronically.

- The indemnities will be advanced by the employer who will then recover the amount through compensation in the payment F24 forms. The amount can be paid directly by INPS (Italian Social Security Institute), provided that a specific request is submitted to INPS by the employer, presenting documents showing the company financial problems.
- The amount of indemnities will be equal to 80% of the remuneration of the hours not worked with the following maximum limit fixed by the Institute itself: € 1,127.87 on a global remuneration less or equal to € 2,148.74; € 1,355.58 on a global remuneration higher than € 2,148.74.
- In case of CIGO unemployment insurance (Cassa Integrazione Guadagni Ordinaria) and FIS, there is no obligation to dispose of holidays before the treatment but, as a practice, it is sometimes requested by trade union agreement.
- In case of CIG unemployment insurance (Cassa Integrazione Guadagni in Deroga), the company must have previously used the ordinary flexibility tools, including the use of residual holidays.



ITALY

- Bonus to employees:

A bonus of 100 Euro, to be weighted by the number of working days carried out at the workplace in March 2020, is recognised in favor of employees with a total yearly income not exceeding 40,000 Euro. The bonus shall not be included in the taxable base for direct taxes purposes and shall be paid automatically by the employer, starting with the remuneration for the month of April, and in any case within the terms provided for the adjustments. Withholding tax agents recover the incentive paid by offsetting through F24 payment form.

- Special leave for parents and vouchers for baby-sitting (art. 23)

Employees who are parents of children under the age of 12 are entitled to 15 days of special leave while schools are closed. An indemnity equal to 50% of salary will be paid by the Italian Social Security Institution.

The leave is granted alternatively to both parents, at the condition that they are not already receiving another unemployment allowance or are working from home on smart-working. Employees who are parents of children aged 12 to 16 are alternatively entitled to a special unpaid leave to be used until schools reopen.

As an alternative measure to the above, parents can apply for a baby-sitting voucher, the value of which is set at Euro 600.00 paid by the Italian Social Security Institution.

Employees who are parents of a disabled child are entitled to 12 additional days of paid leave to be taken between March and April 2020, in addition to the special leaves for parents mentioned above.



Tax Tracker

Indirect Tax Measures

- The State Revenue Service shall refund the approved overpaid amount of value added tax which has been submitted in the value added tax return filed with the State Revenue Service after March 31, 2020 within 30 days.

Corporate Income Tax measures

None

Other Taxes

- The taxpayers affected by the crisis (must meet certain criteria, eg. the employer whose income from economic activity has, due to the spread of COVID-19, decreased by at least 30 per cent in March or April 2020 in comparison with the respective month in 2019) has the right to apply for an extension of the term up to three years for the payment of taxes, as well as to request that an extension of the term for the payment of taxes is granted to such late tax payments the term for the payment of which has been already extended if the delay in the payment term has occurred due to the spread of COVID-19.
- A payer of personal income tax shall not perform the advance payments of personal income tax for the income from economic activity for the taxation year of 2020. This condition shall be applicable to advance payments from 1 January 2020.

The payer of personal income tax may perform the advance payments of personal income tax for the income from economic activity for the taxation year of 2020 on a voluntary basis.

- During an emergency situation, excise duty shall not be applicable to undenatured alcohol which is used in the production of disinfectants containing alcohol if the purchase or production of denatured alcohol is significantly hindered or is not possible due to the spread of COVID-19. A permit of the State Revenue Service for the purchase is required.
- Local governments (municipalities) have the right to determine other terms for the payment of the immovable property tax in 2020 which are different from the terms determined in the law on immovable property Tax, postponing them to a later period within the scope of 2020.

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

- If an employer (must meet certain criteria, eg. employer whose income from economic activity has, due to the spread of COVID-19, decreased by at least 30 per cent in March or April 2020 in comparison with the respective month in 2019) in the sectors



LATVIA

- affected by the crisis does not provide work to an employee (idle time), a remuneration shall be compensated to the employee by the state in the amount of up to 75 % from the amount of the average remuneration of the previous six months but not more than EUR 700 per calendar month (allowance for idle time).
- For companies, annual reports and consolidated annual reports have been extended by three months, while for associations, foundations and religious organisations, the deadline has been extended to 31 July 2020.
- Creditors are prohibited, until 1 September 2020, from submitting an application for insolvency proceedings of a legal person if any of the features of insolvency proceedings of a legal person (except specific cases).



Tax Tracker

Indirect Tax Measures

- Reimbursement by indirect tax authorities of VAT credit balance below EUR 10,000.
- Delays in the payment of VAT for VAT taxable persons exposed to financial difficulties directly linked to the Covid 19 crisis.

Corporate Income Tax Measures

- Cancellation of the two first quarterly 2020 advance payments for corporate income tax and municipal business tax upon request (not applicable to net wealth tax advances).
- Payment extension of four months for corporate income tax, municipal business tax and net wealth tax due after February 29th, 2020 upon request. No interest on late payments on such deferrals.
- Extension of corporate tax returns filing deadline to June 30th, 2020.

Other Taxes

- Extension of personal tax returns filing deadline to June 30th, 2020.
- Tax prepayments cancellation (first and second quarter 2020) and tax payment deadline extension upon request for individuals having self-employed income.
- Social security payment deadline extension (no late payment penalties applied)
- Specific agreements with neighboring countries (Belgium, France): homeworking days

performed by cross borders not counted for the thresholds (24 days for Belgium and 29 days for France) normally triggering taxation in residency country instead of country of employment.

- Same decision for EU social security regulation application: homeworking by cross borders during COVID-19 crisis not taken into consideration for residence country activity threshold (25%) normally switching social security affiliation in residence country instead of employment country.

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

- Companies enabled to claim “force majeure” to temporarily put staff on unemployment benefits at 80% of their salary.
- Reduction of delays and administrative burden for companies applying to temporary unemployment for their staff.
- Possibility for parents taking care of children at home to apply for leaves for family reasons.
- Visas and temporary work/residence permits that should have expired after March 1st, 2020 are automatically extended until the end of the COVID-19 crisis period.
- Same tolerance applies to individuals who were benefiting from the 90 days visa exemption.



Tax Tracker

Indirect Tax Measures

- VAT deferral

In order to ensure that entrepreneurs are able to cope with liquidity problems, there is the possibility of requesting special deferral of payment of VAT tax. The Tax and Customs Administration will grant a deferral of payment if the entrepreneur provides a written statement that he has run into problems as a result of the COVID-19 crisis. As soon as the Tax and Customs Administration has received the request for postponement, the Tax and Customs Administration will halt collection automatically for 3 months. Individual assessment of the request will take place at a later date. The special deferral applies under condition that tax return has been filed and an assessment received.

- Excise duties and VAT – extensions of deadlines

A payment extension for excise duties is granted until the fifteenth day following the month in which the COVID-19 measures end.

- Fines and penalty

No penalties will be imposed when companies are unable to meet their customs obligations on time due to the COVID-19 crisis.

Corporate Income Tax Measures

- Corporate income tax – deferral

In order to ensure that entrepreneurs are able to cope with liquidity problems, there is the possibility of requesting special deferral of payment in corporate income tax. The Tax and Customs Administration will grant a deferral of payment if the entrepreneur provides a written statement that he has run into problems as a result of the corona crisis. As soon as the Tax and Customs Administration has received the request for postponement, the Tax and Customs Administration will halt collection automatically for 3 months. Individual assessment of the request will take place at a later date. The special deferral applies under condition that tax return has been filed and an assessment received.

- Interest on tax and overdue tax

The tax interest percentage will be temporarily decreased to 0.01% for all taxes that are subject to tax interest as well (at present, this is 8% for corporation tax and 4% for other taxes). This decrease will apply from 1 June 2020 for all taxes, except for income tax. For income tax, the decrease will apply from 1 July 2020.



Other Taxes

- Individual income tax and payroll tax – deferral

In order to ensure that entrepreneurs are able to cope with liquidity problems, there is the possibility of requesting special deferral of payment in individual income tax and payroll tax. The Tax and Customs Administration will grant a deferral of payment if the entrepreneur provides a written statement that he has run into problems as a result of the COVID-19 crisis. As soon as the Tax and Customs Administration has received the request for postponement, the Tax and Customs Administration will halt collection automatically for 3 months. Individual assessment of the request will take place at a later date. The special deferral applies under condition that tax return has been filed and an assessment received.

Custom measures

- Deferral

In order to allow entrepreneurs to cope with liquidity problems, there is the possibility of requesting special deferral of payment in customs obligations. This postponement applies until the 15th day of the month following the month in which the enhanced corona measures end.

You can request a deferment of payment for excise and consumption taxes after a supplementary assessment has been imposed. Import VAT that has not already been deferred via the so-called Article 23 license is also included in this special deferment arrangement.

- Fines and penalties

If there is no violation or crime and / or intent / gross negligence, Customs will not impose a fine for failure to meet customs obligations in time as a result of the COVID-19 crisis.



NETHERLANDS

■ Statutory deadlines

Customs will deal on case-by-case basis with companies that cannot meet the strict legal deadlines, such as for submitting additional customs declarations (monthly declaration).

Companies may file objections and request pro-forma refunds. If the statutory term is exceeded, the circumstances will be taken into account.

■ Permits

Special attention will be given to companies that are unable to meet the solvency requirements of an AEO license, the authorization of a customs representative or the reduction or exemption of the guarantee on the basis of a comprehensive guarantee.

The period for authorisation of applications that cannot be properly completed in connection with the coronavirus is suspended. If your company has applied for the license electronically, you must request the postponement of treatment via EU Trader Portal and for AEO applications via EU Customs Trader Portal.

■ Exporter of Record

The implementation of the Exporter of Record regulation in the Netherlands is postponed until further notice by the government. This means that even after 1 April 2020 it is still allowed that a non-EU established entity acts as the Exporter of Record.

This will be allowed until the 15th day of the month following the month in which the government has ended the measures that have been implemented regarding the COVID-19 crisis.

Tax Audits and Controversies

■ Auditors' reports

The COVID-19 crisis may also have consequences for auditors' reports. It makes little difference whether a control, assessment or composition statement is issued. The most common situations are the following:

- If the crisis leads to serious uncertainty about continuity, the auditor is obliged to pay attention to this in their report. The auditor refers to the explanation of the continuity uncertainty in the annual accounts.
- If there are significant events after the balance sheet date (for example, devaluation of assets as a result of the COVID-19 crisis), the auditor will address the situation in an explanatory section.
- There may also be a situation where the auditor is unable to obtain sufficient audit evidence. For example, because certain locations of the client cannot be visited or foreign auditors called in cannot obtain or provide information. This could possibly lead to a non-approval audit opinion because the auditor is unable to express an opinion on the annual accounts.



Other Measures

- Emergency Employment Bridging Fund

A temporary measure - Emergency Employment Bridging Fund (Noodfonds Overbrugging Werkgelegenheid – NOW) has been introduced replacing the Short-Time Working Scheme (Regeling Werktijdverkorting – WTV). Submitting WTV applications is no longer possible. If NOW is requested, companies may receive a maximum of 90% of the salary costs, depending on the change of revenue.

- Water Authority tax – deferral

The Water Authority tax for entrepreneurs and self-employed persons who indicate that they are unable to pay their water tax bill on time due to the COVID-19 crisis will be deferred by most Water Boards. The postponement applies for a limited time, usually for a period of 3 to 6 months from now. The payment arrangements are possible. The imposed assessment is due but can be paid in instalments.

- Unemployment benefit premium differentiation

The measure for a high unemployment insurance contribution for flexible contracts, which was introduced on 1 January of this year, will be adjusted. Employers who have applied the low unemployment insurance contribution while, at the end of the financial year, it turns out that the relevant employee worked 30% more hours than the number agreed in the contract, will not be confronted with a high contribution. As this provision can lead to undesired consequences in sectors where the coronavirus means a lot of overtime is required (such as the care sector), this scheme will be adjusted.

- Decree on assistance for the self-employed

Zzp'ers, for themselves, cannot make use of the working time reduction scheme. If they run into problems as a result of COVID-19, they can appeal to the Besluit bijstandverlening zelfstandigen 2004 (Bbz) (Decree on Assistance for the Self-employed 2004). Self-employed persons who meet the conditions for this scheme must apply to the municipality in which they are registered.



Tax Tracker

Indirect Tax Measures

VAT

- Payment of VAT for the first period is postponed from April 14th until June 10th. If this is already paid it is possible to request a refund.
- Enforcement fines for late reporting of VAT are temporary stopped. As a point of origin this applies to the first and second period, with deadlines April 14th and June 10th. This also applies to tax returns for VAT delivered annually and the annual statement for the primary industry.
- The low rate for VAT of 12% is reduced to 6% from April 1st until October 31st.

Excise duties

- Air passenger tax is temporary abolished from 01.01.2020 until 31.10.2020. Tax that has already been paid will be reimbursed.
- Temporary relief of obligations related to annihilation/destruction of goods. The obligation to alert and get consent from the tax authorities 48 hours prior to the destruction temporarily cancelled. Applies to destruction on the registered enterprise's own approved premises and destruction of goods that needs special approval to be performed somewhere else.

Corporate Income Tax Measures

Advanced tax business

- The deadline for paying advanced tax on April 15th have been deferred until September 1st. This does not apply to ordinary income, natural resource tax and basic interest tax for power plants

Other Taxes

Wealth tax – private business owners and shareholders:

- Payment of wealth tax is deferred for personal taxpayers with enterprises that have accounting obligation with a negative annual results for 2020 with a wealth tax of at least NOK 30 000. It is possible to apply for a one year extension of the payment deadline that is due in 2021.
- To create equity relief, private owners can also apply to be exempt from paying withholding tax and advance tax in 2020 connected to the enterprise's wealth.

Advanced tax - private individuals:

- Advance tax that should have been paid on March 15th has been deferred until May 1st. It is not required that one applies for deferral. In addition, you can request a refund of advance tax that has already been paid with the local tax collector.



NORWAY

Other Taxes (cont'd)

Tax on salary:

- Enforcement fines for delivering a-meldings late are stopped, starting with a-meldings that should have been delivered 05.03.2020. The deadline for delivering a-meldings is still the same and employers are encouraged to keep this deadline as a-meldings creates the basis for employees claims of sickness and unemployment benefits from NAV.
- Payment of the employer's national insurance contribution for the second period is extended from May 15th until August 15, 2020.

Financial activity tax on salaries:

- Deadline for payment of the second period is extended to August 15th.

Taxation of employees:

- Home office equipment, telephone and internet services and healthcare financed by the employer are tax-free and should not be reported. The tax exemption is granted provided the benefit is temporary, proportional and based on the need to maintain operations and prevent spreading the virus. The employers cannot deduct tax on these benefits, does not have to report them nor pay employer's national insurance contributions for them

Custom Measures

None

Tax Audits and Controversies

None

Other Measures

1. Tax-related:

Carry forward deficit:

- Possible to reverse up to MNOK 30 of company deficit in 2020 against taxed surpluses from two previous years. Payment to the companies upon tax assessment in 2021.
- Goes automatically - must ask to be excluded when submitting the tax return for 2020 (if desired).

Tax return for self-employed persons and businesses:

- Enforcement fines for late delivery of the tax return temporary stopped. Deadline is still May 31st.

Tax return for petroleum companies:

- Deadline still April 30th, companies can apply for extension.

2. Employment-related:

Redundancy:

- Notice period for redundancy reduced from 14 to 2 days based on unforeseen events due to COVID-19, however, a fear of infection is not considered a justifiable basis, but the consequences of restrictions (financial difficulties, etc.) can.



Other Measures (cont'd)

2. Employment (cont'd)

Redundancy:

- In the notice period for redundancy, employers still must pay their employees full salary (only for 2 days). On the third day the Norwegian Labour and Welfare Organization (NAV) will take over and pay employees full salary for 18 days. Employees have secured full salary for 20 days.
- Payment from NAV is restricted upwards to 6G (G = National insurance scheme basic amount. Today's rate: 98 866 NOK).
- After 20 days, employees can apply for unemployment benefit from NAV. Requirements for receiving unemployment benefit are reduced to the retrenchment package: minimum income of NOK 75 000 the last twelve months and work hours reduced (at least 40%).

Sickness:

- NAV can accept notifications about sick leave without medical certificate from March 20th.
- "The employer-financed period" reduced to 3 days. NAV to take over on day 4 and pay salary (up to 6G) for remaining days.
- Employers encouraged to accept sickness self-certifications (limit pressure on medical staff).

Care of others/days of care:

- Employers are required to pay their employees full salary when they are out of office due to "days of care". This period is now reduced to 3 days. NAV will take over on the fourth day and pay the employees salary (up to 6G)
- The number of "days of care" is doubled: (i) One or two children under 12: each parent 20 days or single parents 40 days, (ii) Three or more children under 12 years: each parent 30 days or single parents 60 days.

Quarantine:

- Employees being quarantined by the health authorities or the municipal doctor may be entitled to sick pay, in case quarantine is preventing them from working. Employers are urged to facilitate the possibility for working from home if feasible.
- When others in the household are quarantined and employees must stay home for this reason, they are not entitled to sick leave. However, they may have the right to use their "days of care" if the reason for others in their household staying home is sick children or the childcare being closed.



NORWAY

2. Employment (cont'd)

Self-employed:

- Receive a security of income equivalent to 80 % of average income over the past three years, limited up to 6G.
- Payment for sick leave from day 3 and payment for "days of care" from day 4.

Commuters:

- The requirement for number of visits for single commuters during the COVID-19 situation.
- Usually, single commuters are required to travel home every third week to maintain their commuter status. If, as an effort to prevent spreading the virus, a home visit is not carried out every third week, the commuter will still be considered a commuter. He or she will then potentially be eligible for deductions or expense allowances pursuant to the ordinary rules

One-year rule for work stays in another country:

- The one-year rule for work stays in another country entails not being able to stay in Norway more than 6 days for each whole month the worker has stayed outside of Norway. During the COVID-19 situation, specific guidelines offer possibilities to extend the stays in Norway.

3. Government measures

Banks:

- Norges Bank issued extraordinary F-loans to the banks March 13th. On March 19th, additional extraordinary F-loans were issued. F-loans are the instrument used primarily to provide liquidity to the banking system, against collateral in floating rate securities and given maturities. The IRB introduction of capital requirements is postponed (requirements that are demanding for smaller banks to meet).

Guarantee scheme for loans to small and medium-sized businesses:

- The state guarantees 90 % of the amount in new loans of up to MNOK 50 per company, with a maximum term of three years.
- Companies with up to 250 employees, less than 50 million euros in sales and a balance sheet lower than MEUR 43 with acute liquidity shortage are eligible.
- The banks operate the scheme and grant loans themselves. Thus, the state provides the banks with a guarantee.
- Losses will be distributed proportionately (pro rata), 90 % for the state and 10 % the banks.
- The loan guarantees are distributed to the banks based on their market share in the SMB market, excluding commercial real estate.



NORWAY

- Loans that have already been granted cannot be transferred to the scheme nor can it be used for refinancing.
- The scheme applies only to new loans, from the law has entered into force and until 1 June 2020. It is possible that the scheme will be extended.
- A loan is limited to twice the company's payroll costs in 2019 or 25% of the company's turnover in 2019. In special cases, the loan may be higher to meet the company's liquidity needs over the next 18 months.
- The loan terms will, as far as possible, have the same conditions as a in a normal market situation.
- A prerequisite is that the business was not in financial trouble as of December 31, 2019, and that the business has a urgent need for liquidity as a result of the COVID-19 outbreak
- The scheme is approved by all necessary actors and expected to be implemented shortly.

Restoration of the Government Bond Fund:

- Restored with a initial capital limited up to NOK 50 billion.
- The aim is to increase liquidity and capital in the bond market by purchasing interest-bearing securities issued by Norwegian

companies on market-based terms.

- The fund will be managed by Folketrygdfondet, who will decide which bond loans the fund will invest in. It is assumed that Folketrygdfondet will set a limit on the amount each entity can borrow, a significant part will be lent to non-financial companies and a significant portion can be lent to borrowers with relatively high risk.

Air services:

- A government loan guarantee up to NOK 6 billion.

4. Other

SAF-T:

- Not necessary to apply for an extension of the deadline to deliver SAF-T files in case of delays because of the COVID-19 situation.

Policy rate:

- Reduced to 0.25 %.

Innovation Norway:

- Reduce interest rates by 1% on low-risk loans and 1.25% on risk loans (includes, among other things, innovation loans and start-up loans). Applies to new loans from March 23rd and to current loans from April 15th.



NORWAY

- Made it easier to apply for a deferral of payment. Directed towards companies affected by the COVID-19 outbreak and will mainly grant deferrals of one-year.
- Planning on making a larger contribution to financing by utilising the scope of action in the state aid regulation.
- Opening up for lowering conditions for security they normally require when establishing innovation and risk loans.
- Reducing pilot customers connected to innovation contracts contribution by 50 %
- Within the Environmental Technology Scheme and Innovation Contracts, they are opening up for pre-projects.
- Customers experiencing delays in the implementation of projects can be given more time to decide on financing commitments and get extended payment deadlines.
- Increasing the amount of commercialization grants possible from 50% to 75% of the total costs and opening up for higher internal costs, including salary. Applies to new project and will reduce the obligation of "other capital" considerably.
- Start-up loans increase from having a max. amount of MNOK 1,5 to MNOK 2 at the same time as the conditions for security and equity capital stays the same.
- Existing and new start-up loans will be offered to be interest-free for six extra months. Making the interest-free period two years and six months.
- Start-up loans exempted from repayment for four years.
- Starts-ups with commercialisation grants will get the opportunity to receive a start-up loan.



Tax Tracker

Indirect Tax Measures

- New VAT Matrix postponed till July 1st, 2020.
- New JPK_VAT declarations for the biggest entities postponed till July 1st, 2020.
- Time to report payments on account from outside the "White List of taxpayer's" will be extended to 14 days (from 3 days deadline).

Corporate Income Tax measures

- Tax loss incurred in 2020 in connection with COVID-19, CIT taxpayer will be entitled to deduct from income gained in 2019, on the condition that its revenue will decrease by at least 50% compared to the revenue achieved in 2019. Once the taxpayer will be able to deduct the loss up to the amount of PLN 5,000,000. The uncredited amount of the loss will be settled by the taxpayer on the existing rules.
- Submission of CIT declarations and income tax payment postponed till May 31st, 2020 (for entities whose tax year started after December 31st 2018 and finished before April 30th, 2020).
- Possibility to release the so-called small taxpayers who pay simplified advances in 2020 from payment of such advances in the period from March to May 2020. They will then calculate them on general principles, taking into account advances due for previous months

which were calculated in a simplified form. The taxpayer, who will resign from paying simplified advances, in the period from June to December 2020, will calculate monthly advances on current revenues.

- Possibility of a full deduction from income donations passed on by a taxpayer to counteract COVID-19 for the entities specified in the Act.
- Transfer Pricing Information (TP-R) postponed till September 30th, 2020.
- Exemption from the obligation to apply the provisions on so-called bed debt in income taxes, towards taxpayers, who should include unpaid obligations while calculating monthly or quarterly advances, in income tax. This exclusion will apply to taxpayers whose revenues achieved in the corresponding periods in 2019 will be reduced by at least 50%.

Other Taxes

- Suspension of deadlines resulting from regulations concerning mandatory Disclosure Rules until the day of cancellation of epidemiological threat or epidemic, no later than 30th 2020.
- In connection with deferring the tax payment deadline or spreading the payment of tax liability in installments, the prolongation fees will be abolished.
- Commercial Property Tax for March-May 2020 postponed till July 20th, 2020.



POLAND

- Extension of the deadline for issuing tax rulings about 3 months.
- Retail sales tax postponed till January 1st, 2020
- Postponement of the obligation to provide information to the Central Register of Beneficial Owners until 13th July 2020.
- Exemption from tax on civil law transactions of a loan agreement concluded till 31th August 2020.

Customs Measures

- Customs and fiscal proceedings will be ex officio or, upon request, suspended for the time of epidemiological threat or epidemic.

Tax Audits and Controversies

- For the time of epidemiological threat or epidemic the following proceedings are suspended: tax proceedings and tax controls, customs and fiscal proceedings and tax proceedings in administrative courts. The above proceedings are suspended ex officio or on the taxpayer's request.

Other Measures

- Benefits for employers to employees' salaries (extra conditions must be fulfilled).



Tax Tracker

Indirect Tax Measures

In an effort to ensure the relief of the treasury of companies, it was determined that VAT related to the second quarter of 2020 could be paid as follows:

- In the usual terms; or,
- In three or six-monthly installments.

This extension of the payment applies to companies that:

- Had a turnover of up to Euro 10M in 2018;
- Have started its activity on or after January 1, 2019 (or have resumed its activity on or after January 1, 2019 and did not had any turnover in 2018);
- Whose activity is carried out in one of the sectors which were closed under the emergency state.

Any other company may require the same flexibility in the payment, provided it demonstrates that a reduction of, at least, 20% of its turnover have occurred in the previous 3 months per comparison to the same period of the previous year.

Moreover, until 30 June 2020, invoices issued in PDF format will be valid for tax purposes, being compared to electronic invoices.

Per last, a VAT exemption is applicable to the import of medical goods required in the fight of Covid-19.

Corporate Income Tax Measures

The deadlines for compliance of several obligations were extended, namely:

- Postponement of the 1st installment of the special payment on account from March 31 to June 30, 2020;
- Extension of the deadline for filling the CIT return and payment of the CIT due to 31 July 2020;
- Extension of the 1st payment on account from July 31 to August 31, 2020.

Moreover, in an effort to ensure the relief of the treasury of companies, it was determined that corporate and personal income tax withheld related to the second quarter of 2020 could be paid as follows:

- In the usual terms; or,
- In three or six-monthly installments.

To apply this relief, the same conditions required for the VAT apply.

Other Taxes

None

Customs Measures

A duty exemption was enacted on the import of medical goods required in the fight of Covid-19.

Moreover, the export of such goods requires a prior request to the tax authorities.

Tax Audits and Controversies

It was enacted a suspension until 30 June 2020 of tax enforcement proceedings in progress or that are initiated within that period.

It is also foreseen the application of judicial vacation regime to procedural acts, while the exceptional situation created by Covid-19 lasts.

Other Measures

Social security

- Exceptionally and temporarily, companies may benefit from the exemption of payment of social security contributions if the simplified lay off regime is applicable (which we will further detail). Moreover, a deferment for the payment of social security contributions for companies not eligible to the simplified lay off regime was also enacted, allowing them to pay the social security contributions in 3 or 6 installments during the 2nd semester of 2020, if certain conditions are met.
- Extraordinary measures for the maintenance of employment contracts for companies in business crisis (simplified lay off) were enacted. In this regime, the employment contract may be suspended, and the employee's salary will be reduced to 2/3, being 70% paid by the social security and the remaining 30% by the employer, with a minimum of Euro 635 and a maximum of Euro 1,905. This regime may be applicable until 30 June 2020.
- Is considered as a business crisis the suspension of distribution chains or suspension of orders that lead to the shutting-down of the company's activity or reduction of the company's sales of, at least, 40%, during the 30 days prior to the application of this regime, with reference to the same period of the previous year or the average of the two previous months.
- Moreover, extraordinary professional training measures were also enacted. Companies who have not benefitted from the previous measure, can benefit from a financial support for the implementation of professional training with one-month duration. The financial support is granted depending on the training hours for each employee and is limited to 50% of the employee's gross remuneration with a maximum limit of Euro 635.
- Upon applying one of these extraordinary measures, to ensure the normalization phase of the activity, companies will be eligible to benefit from an extraordinary incentive (paid a single time) corresponding to Euro 635, per employee, to support the payment of wages in a normalization phase after the simplified lay off or the extraordinary training.



Portugal

Credit lines

- The Government has set up a credit line for micro, small and medium enterprises, available from 12 March 2020 in the amount of Euro 200M and capped at Euro 1.5M per company.
- The Government has also set up a credit line for the sectors most impacted by the COVID-19, with the following thresholds: Euro 600M for restaurants and similar establishments; Euro 200M for travel agencies and event organization agencies; Euro 900M for other companies in the tourist sector; and, Euro 1,300 M for the textile, clothing, footwear, mining and wood industries.

All credit lines will have a grace period until the end of the year and may be repaid within four years.

Incentives

- Approval of the expediting of incentive payments, which must be settled in the shortest period of time possible pursuant to the requests submitted by the affected companies, and may, exceptionally, be made as an advance payment;
- Extension by 12 months of the repayment period for refundable grants under the QREN and PT2020 programs ending 30 September 2020;

- Guarantee of deductibility of expenses incurred with international events that have been cancelled due to Covid-19, provided that they are proven to be incurred by the beneficiaries within the scope of projects approved by PT2020;
- Ensuring that the impact of the pandemic is assessed, after its end, regarding the achievement of the contractual objectives under the QREN and PT2020 systems;
- Ensuring that negative impacts arising from Covid-19 that result in insufficient achievement of actions or targets set under the incentives of PT2020 are considered as "force majeure" not attributable to the beneficiary.



Tax Tracker

Indirect Tax Measures

Taxpayers that perform imports of medical and safety equipment, other specific medical equipment and materials and disinfectants to prevent, limit, treat and combat the spread of COVID-19 during the state of emergency and the subsequent 30 days are exempt from paying the import VAT.

Corporate Income Tax Measures

- Taxpayers enrolled in the advance payment CIT system can opt to pay the CIT for 2020 based on the actual results of the current year, thus taking into account the potential economic and financial impact on the business of the current COVID-19 epidemic.
- Companies will benefit from a reduction to their CIT and microenterprise tax due for the first quarter of 2020 if they perform the payment by the 25th of April 2020, respectively during the period 25th of April - 25th of June 2020 for companies that have a financial year different from the calendar year. The discount is of:
 - 5% for large taxpayers;
 - 10% for small and medium taxpayers.

Other Taxes

- Local taxes:

The deadline for the payment of the local taxes (i.e. applicable to buildings,

land and vehicles) is postponed until the 30th of June 2020

Customs Measures

None

Tax Audits and Controversies

- Deadlines related to lodging of tax challenges against decisions of the Romanian tax authorities are suspended during the state of emergency.
- Tax audits that cannot be performed via electronic means are suspended during the state of emergency.

Other Measures

- De facto postponement of tax payments:

A taxpayer can choose to postpone payment of taxes that become due after the 21st of March 2020 (e.g. payroll taxes, VAT, corporate income tax, etc.) without incurring any financial or administrative penalty - i.e. the Government approved for the period of state of emergency and the subsequent 30 days a postponement of interest and penalties, as well suspension of enforcement procedures for such taxes outstanding (i.e. garnishment on bank accounts and attachments towards assets). However, this does not apply to enforcement procedures related to debts established by the Courts for criminal matters.

- Direct financial aid related to technical unemployment allowance



ROMANIA

The Romanian Government will provide, during the period of state of emergency, monthly financial assistance to employers, freelancers and some additional categories of self-employed individuals affected by the COVID-19 epidemic, amounting to a maximum of 75% of the average gross salary applicable at national level. Specific documentation is required to be submitted electronically.

- Measures to restructure tax obligations:

The current legal framework applicable has been amended by extending the applicable deadlines for requests made by taxpayers as follows:

- The deadline to submit the notification for application of the restructuring facility is extended until the 31st of July 2020;
- The deadline to submit the request for application of the restructuring facility is extended until the 30th of October 2020.
- Postponement of payments of utilities and rent in case of Small and Medium Enterprises ('SME'):

SMEs who have stopped fully or partially their economic activity due to decisions issued by public authorities are entitled to obtain a Certificate of State of Emergency ("CSE") issued by the Ministry of Economy and request to their suppliers the postponement of

payments for utilities (i.e. electricity, natural gas, water, telecommunication services), as well as the postponement of the rent for the registered office or secondary offices.

- State guarantees and interest subsidies for financing from banks:

SME's can benefit through the supporting program "SME Invest Romania" from financing up to RON 10 million/beneficiary granted by banks and guaranteed in proportion of 80%/90% by the Romanian State.

Additionally, under certain conditions, the Romanian State will cover 100% of the related interest for a specific period of time, on a case by case basis.

- Measures taken to mitigate the impact on individuals and legal entities in relation to loans and distressed debt:

Starting with 30 March 2020, debtors, both individuals and legal entities, may request creditors to postpone their loan payment obligations due for a maximum period of 9 months which cannot go beyond the end of 2020. Such postponement will also generate the extension of the maturity by a corresponding period.

As a general rule, at the end of the postponement period, the accrued interest corresponding to the outstanding amounts whose payment was postponed will be added to the loan balance and become interest bearing. The increased loan balance will be paid in instalments until the new maturity of the loan.



RUSSIA

Tax Tracker

Indirect Tax Measures

None

Corporate Income Tax measures

- "Tax holidays"

Possibility to get deferred tax payments for taxpayers involved in the following industries most effected by spread of COVID-19: air transport, car transport, culture, entertainment, sports, tourism, hospitality, education, organisation of conferences and exhibitions, consumer services to people. Taxpayers involved in the mentioned industries can count on the following support measures:

- deferral of social security payments for 6 months for micro-enterprises;
- deferral of tax payments (except for VAT and PIT) for 6 months for SMEs;
- deferral of tax payments (except for VAT and PIT) for 3 months for all other enterprises.

Tax holidays may be obtained by filing of urgent application to the Tax Authorities.

Usually, late payment interest is charged in case of deferred tax payments, however, the law may explicitly provide for an exception. Draft law is not yet published.

- Increase tax withholding rates on dividends and interest paid to tax non-residents in Russia:

The President proposed to fix a single level of tax withholding rate of 15% for incomes, which are paid in form of dividends and interest to tax non-residents of Russia. These measures require changes of existing double taxation agreements with some countries. According to the President, if foreign states will not accept amendments to the agreements, Russia is ready to withdraw unilaterally from agreements with such States.

Due to the President's direct reference to the withdrawal of dividends and interest in off-shore, we cannot exclude a significant increase in the number and quality of checks on the validity of the application of reduced tax rates at source.

Other Taxes

None

Customs Measures

Starting from 17 March, the "green corridor" will begin to operate at the customs for essential goods purchased by retail chains. In addition, from 17 March any restrictions on the movement of transport providing supplies to trading networks of cities of the Russian Federation will be lifted.

Tax Audits and Controversies

All tax and customs control measures would be suspended, namely, field tax audits, planned field customs audits, seizures, inspections, interrogations, in which tax inspectors have to personally communicate with taxpayers.



RUSSIA

The number of field tax audits will be reduced to the minimum, and only unplanned audits that are based on information on risks causing harm to the life and health of citizens, the occurrence of natural and man-made emergencies, audits that result in the issuance of permits, licenses, accreditation certificates, and other documents that have a permissive nature will be carried out.

Other Measures

The President announced days 28 March - 5 April as non-working days in Russia. Employers are obliged to pay standard salaries for employees for these non-working days (i.e. as in working days). The following measures are planned for implementation (currently they are announced by the President):

- Other anti-crisis measures considered in the RF Government's plan in terms of coronavirus (planned for adoption):
 1. Compensation of income to citizens, individual entrepreneurs and self-employed who are quarantined due to the possible spread of a new coronavirus infection, including at the expense of employers or temporary disability lists.
 2. Reserving budget allocations for the provision of subventions from the Federal budget to the regional budgets for the provision of social benefits to unemployed citizens.
 3. Providing quarterly deferred tax payments for small and medium-sized businesses.

4. Amendments to the legislation related to providing state-owned enterprises with the opportunity not to transfer funds to the budget for certain types of income.

5. Postponing the payment of dividends for legal entities with state participation by 3-6 months.

6. Increase in budget allocations for providing budget loans for the purpose of regional plans to ensure sustainable economic development and social stability in 2020

7. Formation of an anti-crisis Fund in the amount of 300 billion rubles, including through optimisation of budget expenditures.

8. Provision information to legal entities and citizens about the measures taken through the taxpayer web-office.

9. Amendments to the legislation regarding the interpretation of situations related to the spread of a new COVID-19 infection as *force majeure* under government contracts.

- Loan and tax deferral (except VAT) for small and medium-sized businesses during the next six months. Moratorium on initiating bankruptcy:

SMEs that face complicated situation, should also receive a deferment on loans for the next six months. The Government and the Central Bank, on behalf of the President, should develop additional measures to ensure sustainable lending to the real sector, including the provision of state guarantees and subsidies.



RUSSIA

In order to protect enterprises from bankruptcy, the Government may introduce a six-month moratorium for creditors on filing bankruptcy petitions and collecting debts and fines.

The measures will apply to all companies that operate in the sectors most affected by the current context. In this regard, the Government was instructed to conduct continuous monitoring of the situation and, if necessary, to expand and adjust the list of industries that need support.



Tax Tracker

Indirect Tax Measures

- Deadline for filing VAT reports and payment of VAT liabilities

Statutory deadline for submission of VAT reports (VAT return, recapitulative list, EC sales list) has not been changed. However according to newly adopted legislation, the non-payment of VAT liability, which will be due during the pandemic period (starting 12 March 2020), will not be considered as tax arrears, provided the VAT liability will be paid until the end of next month, when the government will announce the end of the pandemic.

- Exemption on VAT and customs duties on goods imported for the benefit of natural disaster victims:

The Ministry of Interior of the Slovak Republic is established as a body competent to approve charitable and philanthropic organizations that will be authorised to import goods with exemption from customs duties and VAT.

These organisations may submit a request on exemption provided they:

- realize health care, social assistance or humanitarian care;
- support the public benefit purpose of carrying out individually targeted humanitarian aid for an individual or group of persons who are in life danger, or who need urgent assistance in a natural disaster;

- realize any other activity of a charitable or philanthropic nature.

The application of above exemption shall be subject to approval by the European Commission. The customs office will suspend the payment of import duties and VAT on above mentioned goods, provided that the importing organisation undertakes to pay customs duties in case the European Commission does not comply with the Slovak Republic's requests.

Corporate Income Tax measures

- Deadline for filing of the income tax return:

Extension of the statutory deadlines for filing of income tax return (hereinafter "tax return"), in case the last day of the deadline for filing expires during a pandemic period. The duration of the pandemic is set for the period from 12.3.2020 until the end of the calendar month, when the Government of the Slovak Republic will recall the emergency situation. The deadline is automatically extended to the end of the calendar month following the month in which the pandemic period ended. Within the same deadline the taxpayer, taxable person or an heir is obliged to paid income tax liability. In practice if e.g. the Government of the Slovak Republic will declare end of pandemic period caused by virus COVID-19 as of 31.7.2020, the deadline for filing tax return and due date for payment tax will be 31.8.2020.



SLOVAKIA

▪ Bankruptcy and liquidation:

The special scheme is applicable also for taxpayers in bankruptcy or liquidation, if the last day for filing of the tax return falls for on a period of pandemic. Also, in this situation the deadline for filing of tax return will be extended to the end of the calendar month following the month in which the pandemic period ended.

▪ Supplementary tax return:

If the taxpayer identifies an obligation to file a supplementary income tax return and the deadline for submission would expire during the pandemic period, the taxpayer may also submit the supplementary tax return until the end of the month following the end of the pandemic period. The pandemic period will not be taken into account related to calculation of the penalty for a possible tax increase in the supplementary tax return. The penalty will be calculated for the period from the end of the regular tax return period to 11 March 2020 (assuming payment of the tax arrears after the end of the pandemic period).

▪ Health care providers:

Similarly, for the healthcare provider, the deadline for notifying on withholding and payment of tax is postponed to the last day of the month following the month of the end of the pandemic period.

Other Taxes

▪ Measures in the field of motor vehicle tax:

If deadline for submission of the tax return and the due date has expired during the pandemic period, it is deemed to be observed if the taxpayer shall submit the tax return and shall pay the tax by the end of the calendar month following the end of the pandemic period.

Customs Measures

▪ Exemption on VAT and customs duties on goods imported for the benefit of natural disaster victims:

The Ministry of Interior of the Slovak Republic is established as a body competent to approve charitable and philanthropic organisations that will be authorized to import goods with exemption from customs duties and VAT. These organizations may submit a request on exemption provided they:

- realize health care, social assistance or humanitarian care;
- support the public benefit purpose of carrying out individually targeted humanitarian aid for an individual or group of persons who are in life danger, or who need urgent assistance in a natural disaster; or
- realize any other activity of a charitable or philanthropic nature.

The application of above exemption shall be subject to approval by the European Commission. The customs office will suspend the payment of import duties and VAT on above mentioned goods, provided that the



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importing organisation undertakes to pay customs duties in case, the European Commission does not comply with the Slovak Republic's requests.

Tax Audits and Controversies

- Interruptions of tax audits and tax proceeding:

If during the pandemic period, a tax audit is ongoing it can be suspended based on request of the tax payer. In case the tax inspection has been suspended prior to the start of the pandemic period due to one of the legal reasons and the suspension should end at the pandemic period, the time limit for performance of the tax audit in both cases is during the pandemic period suspended by law until the end of the calendar month in which emergency situation is withdrawn, even if during the pandemic period the reasons for which the tax audit was suspended disappeared. The legal effects of acts, which were carried out from the start of the pandemic period until the day of entry of the law into force will remain. If a tax audit starts during the pandemic period, time limit for its performance is suspended from the day following the day of its commencement until the end of the pandemic period.

If during the pandemic period, a tax audit which relates to eligibility of VAT excess is ongoing, the tax administrator may issue a partial protocol where it is stated the tax audit is interrupted.

Tax proceeding which has been started before the pandemic period can be interrupted as usually also based on the request of the tax payer. Tax proceeding interrupted before the pandemic period continues to be interrupted until the end of the pandemic period irrespective of the fact whether the reasons for interruption will disappear during the pandemic period or not.

- Forfeit the right to impose a tax and termination and cessation of the right to recover tax arrears:

Further, it was agreed that during the pandemic period the running of the time period is suspended when it could lead to the cessation of the right to levy tax or to recover tax arrears. This automatically extends the time limit for commencement of the tax audit.

Other Measures

- Forgiveness of missed deadline:

Missing of the statutory deadline laid down by law, which has expired during the pandemic period, i.e. free of charge and the need for a decision will be forgiven in the situation if the taxpayer performs a missed action (e.g. fill the recall, submitting the required documents to the tax administrator, etc.) by the end of the calendar month following the end of the pandemic period, at the latest. Attention, this cannot be applied to file a tax return and to pay tax.

- Accounting measures:

Due to the negative consequences of a pandemic, some entities will not be



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able to meet their obligations objectively, the law allows entities to meet these missed obligations to the end of the third month following the end of pandemic situation or to the expiry of the deadline for submission of tax return under law, whichever is the earlier.

- Deferral of tax execution

The law stipulates the fact that the tax execution is postponed during the pandemic period, while legal effects of acts undertaken during.



Tax Tracker

Indirect Tax Measures

■ VAT

The deadlines for VAT return submission and VAT payment in Slovenia have not changed due to the COVID-19 epidemic. However, companies can apply for tax payment deferral for up to 2 years or payment in 24 monthly instalments.

Companies can send their application via the Slovene Tax Authority's electronic platform or by e-mail.

The law contains temporary changes in the field of taxation, while specific changes in the field of VAT were not covered. This means that, unlike some countries that have temporarily frozen the submission of VAT forms or VAT payments, regular deadlines for both submission and payment of obligations are still running in the Republic of Slovenia (RS).

Nonetheless, taxpayers have the option of deferring payments or paying off tax liabilities in instalments if they file a claim with the Financial Administration of the Republic of Slovenia (FURS). This option is defined in 102.-104. Article 7 of the Tax Procedure Act, supplemented by Articles 7 and 8 of the LPIS. Pursuant to the Tax Procedure Act, different tax liabilities, such as payment of corporate income tax, VAT or other tax liabilities, can be deferred, and the ZIUJP also adds a tax advance and a withholding tax. Deferral of payment is not possible for social contributions for an employee.

Taxpayers submit their claim via e-tax or, exceptionally, to the FURS e-mail address, and the FURS decides on the application within 8 days of receiving the application.

The taxpayer may apply for a deferral of payment for up to 24 months or instalment repayments in 24-monthly instalments over a 24-month period and the following options are available:

- The taxpayer can apply for a deferral or installment repayment if the epidemic loses its ability to generate revenue. The decrease in revenues may be the result of the Decree on the temporary prohibition of offering and selling goods and services to consumers, loss of orders, termination of contracts of business partners, impaired functioning on the foreign and domestic market, disrupted or interrupted supply of raw materials, stopping of projects and the like.
- The taxpayer may apply for a deferral of payment or instalment repayment if the taxpayer would suffer serious economic harm because of more permanent illiquidity or loss of ability to generate revenue for reasons beyond the control of the taxpayer.
- A taxpayer may avoid proving serious economic harm by submitting a security instrument or by allowing the lien to be entered in the relevant register in accordance with Article 103 of the Tax Procedure Act.



SLOVENIA

No deferred tax amount or unpaid taxes (including default interest) are charged for the time when the taxpayer is deferred from paying tax or allowable payment of tax in accordance with the ZUUJP or the Tax Procedure Act interest.

If the debtor is allowed to pay instalments in instalments, he does not miss the instalment payment. If the instalment due in the period of the measures under the ZUUJP is not settled, all unpaid instalments due shall be paid three months after the expiry of the measures under this Act. After the expiry of the measures under the intervention law, it is considered that if the taxpayer is late with payment of an individual instalment, all subsequent unpaid instalments will become payable on the day the unpaid instalment becomes due.

Consideration should therefore be given to the possibility of supporting documents for deferral of payment, as it depends on which application is appropriate. We also advise taxpayers to consider a plan to pay their tax liabilities before submitting an application, if all deferred liabilities in the future are to be paid in one go, for example, if all are postponed from the current period to a certain period in the future.

Corporate Income Tax Measures

The deadline for submission of the annual DDPO and DohDej accounts for 2019 is postponed from 31 March 2020 to 31 May 2020, which expires on 1 June 2020 due to Sunday.

Deadlines for submission of DDPO and DohDej accounts in the event of terminations, status changes or the insolvency proceedings remain the same as before. Taxpayers who have a tax period different from the calendar year may submit a tax return for the financial year whose submission deadline expires during the validity of this Act within two months after the deadline

Just extending the deadline for submitting bills to 31.05.202 will only facilitate preparation in time, but during this extended deadline it is necessary to continue to pay advances based on the 2019 clearing. Taxpayers, who may have had higher profits in 2019, as in 2018, need to start paying the higher down payments after submitting the invoice, and at the same time, within the 30 days following the invoice payment, pay the amount of the underpaid advance payments for a period of 4 months from the beginning of 2020 (not just 2, as before). There is no specific deferral of payment for this mandatory surcharge.

The Public Finance Emergency Measures Act will administratively relieve entrepreneurs and companies by extending the deadlines for taxpayers to fulfill their obligations. The deadlines for submission and submission of annual reports to the Agency of the Republic of Slovenia for Public Legal Records and Related Services (all for 2019) to 31 May 2020 are delayed in order to make taxpayers easier to fulfill their obligations.

The law also facilitates conditions for changing the advance payment and facilitating enforcement. deferral or installment payment of tax liabilities.

Other Taxes

■ Social security contributions

On April 2, 2020, the National Assembly of the Republic of Slovenia adopted the Law on Emergency Measures to curb the COVID-19 epidemic and mitigate its consequences for citizens and the economy, or #toKoronapaket (#PKP1), which provides for the introduction of new measures to maintain jobs.

- full reimbursement of temporary wages to employees due to an inability to provide work by the employer due to the consequences of an epidemic of a new virus corona of 80% of the base,
- and exemption from contributions related to wage reimbursements, both up to a limited maximum amount;
- full reimbursement of workers' compensation for absent for reasons of force majeure of 80% of the base, and exemption from contributions linked to such wage compensation, both up to a limited maximum amount;
- exemption from the payment of pension and disability insurance contributions and the obligation to pay a crisis allowance of EUR 200 for employees;

- exceptional assistance in the form of a monthly basic income for the self-employed, religious servants and farmers;
- exemption from contributions for self-employed persons, religious servants, associates and farmers;
- the right to compensation during temporary absence from work due to illness or injury to be covered by compulsory health insurance from the first day of absence.
- Deferral of social security contributions for self-employed persons (s.p. and other natural persons engaged in the activity, eg journalists, lawyers, etc. private persons)
- Run of time limits for carrying out procedural actions of taxpayers

Customs Measures

- No changes

Tax Audits and Controversies

- No changes

Other Measures

The deadline for submission of annual returns of CIT and PIT for 2019 is postponed from 31 March 2020 to 31 May 2020, which expires on 1 June 2020 due to Sunday or the insolvency proceedings remain the same as before. Taxpayers who have a tax period different from the calendar year may submit a tax return for the financial year whose submission deadline expires during the validity of this Act within two months after the deadline.



Tax Tracker

Indirect Tax Measures

Stamp Duty exemption applicable to mortgage loans novation: exemption to the variable amount of notary documents of Stamp Duties with regards to deeds for the formalising of contractual novation of loans and mortgages made under Royal Decree-Law 8/2020.

Corporate Income Tax measures

None

Other Taxes

None

Customs Measures

- Possibility of deferral of payment of custom duties and import VAT for 6 months, the first 3 months without delay interest.
- For declarations filed between 1 April 2020 and 30 May 2020, as long as the recipient of the good had a turnover not exceeding 6.010.121,04 € during 2019.

Tax Audits and Controversies

- Extension to 30 April, 2020 of the deadlines in proceedings of a tax nature that had begun before the entry into force of the rule (18 March 2020), as well as the extension to 20 May, 2020 of those notified after that date (18 March 2020), unless the ordinary rule provides for a later one. This includes deadlines for the payment of tax debts resulting from liquidations made by Tax Authorities in voluntary period and

deadlines for the payment of tax debts in executive period and with notification of enforcement order, as well as maturities of terms and instalments of already granted deferral and instalment agreements.

However, it should be noted that the extension of the deadline still does not apply to the obligation to file self-assessments or to pay any withholding taxes.

- Maximum length of procedures and statute-barred period: the period running from March 18 to April 30, 2020 will not be taken into account for the purposes of determining the statute of limitation period and the maximum applicable length of procedures by Spanish Tax Authorities.
- The term to file appeals or economic-administrative claims against tax actions will not start until the period from March 18, 2020 to April 30, 2020 has ended.

Other Measures

- Deferral in the payment of taxes to small and medium sized entities (VAT turnover in FY2019 lower than € 6 million). In broad terms, SME have the possibility of deferring tax liability payments, without the need of guarantee, for up to 6 months for tax liabilities of under €30,000 in the period running from March 13 to May 30, 2020. Delay interests do not accrue during the first 3 months.



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- Moreover, along with these tax measures approved at state level, the regional governments have approved other exceptional measures regarding their own regional taxes and the taxes managed by them by delegation of the Central Administration (mainly regarding to extending and suspending the time periods and deadlines in connection with self-assessments). Several municipalities have done the same regarding local taxes.
- As these measures might change overnight, we recommend to contact Mazars' advisors in Spain to guarantee fully updated information.

Law Tracker

Real estate law measures

- Eviction suspension

Suspension of the eviction procedure and the launches for vulnerable people without alternative housing.

- Lease extension

Extraordinary extension of the lease of a habitual residence, in which the period of compulsory or tacit extension ends within the period from 2 April 2020 until the day on which two months have elapsed since the end of the alarm state.

- Guarantee line

Approval of a line of guarantees for the coverage by the State of financing for tenants in a situation of social and economic vulnerability as a result of the expansion of COVID-19.

- Lease moratorium

Moratorium on rental debt for tenants of permanent housing in a situation of economic vulnerability due to COVID-19, when the lessor is a public housing company or entity or a large holder, understood as an individual or legal entity that owns more than ten urban properties, excluding garages and storage rooms, or a built area of more than 1,500 m².

- Contract amendment

Exceptional and transitory modification of the contractual conditions of renting for people who rent their habitual residence in a situation of economic vulnerability due to the COVID-19, when the lessor is not one of those included in the previous section.

- Rental aid

Granting of rental aid, through direct award, to tenants of permanent housing who, as a result of the economic and social impact of the COVID-19, have temporary problems in paying part or all of the rent.

- Mortgage moratorium

Mortgage debt moratorium or mortgage loans contracted for the acquisition of:

- a) The primary residence.
- b) Property used for economic activity by entrepreneurs and professionals



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- c) Dwellings other than the usual one in a rental situation and for which the mortgage debtor, individual, owner and lessor of said dwellings, has ceased to receive the rental income since the entry into force of the state of alarm, or ceases to receive it until one month after the end of the same.

Corporate law measures

■ Governing body / general meeting

Suspension of the periods for the formulation and approval of Annual Accounts, extended by three months from the declaration of the end of the state of alarm (the formulation of the same will continue to be valid during the state of alert).

Suspension of the period of expiry of registration entries (shall be resumed at the end of the alarm state).

Extension of the period for verification of the annual accounts by the auditors of the obliged companies by two months from the date of the end of the alarm state.

Meetings of the governing body and the General Meeting may be held by videoconference or by multiple telephone conference, without the need to be provided for in the company's articles of association.

The proposal to apply the results of the report may be replaced by another (due to COVID-19), if the company has already formulated its accounts and called the general meeting for approval after 31 March 2020.

Suspension of the period of 4 months after the end of the financial year to file the Mercantile Books before the Register (Minutes, Shareholders and Contracts with the Sole Partner). The calculation of the periods will be resumed on the day following the end of the state of alarm or its extensions if applicable.

Meetings of the governing body are allowed in writing and without a meeting with the decision of the president or with the simple request of 2 members, regardless of the number of members that make up the body.

The term of the positions of directors expired during the state of alarm is extended until the period of 3 months following the new period for formulating the annual accounts has elapsed.

The shareholders may not exercise the right of separation, even if there is cause, until the end of the state of alarm and the extensions thereof, if any, are agreed.

The reimbursement of contributions to cooperative members who leave during the validity of the alarm state is extended until six months after the end of the alarm state.

The directors are not liable for the debts incurred by the company during the state of alarm.

Possibility of modification or revocation of the call to the general meeting. If the call to the general meeting has been published before the declaration of the state of alarm and the day of the meeting is later



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than the declaration of the state of alarm, the governing body may (i) modify the place and time foreseen for holding the meeting or (ii) revoke the agreement to call the meeting, by means of a notice published at least 48 hours in advance on the company's corporate website and, if the company does not have a website, in the BOE. If the meeting is revoked, a new call will be made within a month following the date on which the alarm condition ended.

■ Dissolution of the company

- The period for the full dissolution of a company whose term has expired during the state of alarm is suspended. The company will not be dissolved as of right until two months have elapsed since the end of the state of alarm.
- The legal period of 2 months is suspended until the end of the state of alarm for the call of the general meeting of shareholders in order to adopt one of the following options: (i) the dissolution agreement, (ii) the declaration of bankruptcy, (iii) any agreement to settle the case.
- The period of the duty to apply for a declaration of insolvency is suspended for the debtor who is in a state of insolvency and for the debtor who has notified the court of its intention to enter into a refinancing agreement, an out-of-court settlement agreement or to obtain accession to a proposed settlement. The deadline for filing for voluntary bankruptcy will be resumed once the state of alarm is lifted. No

applications for the necessary insolvency proceedings will be processed during the state of alarm or in the two months immediately following its lifting, even if the deadline for instituting voluntary insolvency proceedings has passed. If the voluntary arrangement is initiated within these two months, it will be processed in preference to any necessary application for an arrangement.

If the legal or statutory cause for dissolution has occurred during the period of the state of alarm, the legal period for the call by the governing body of the general meeting of shareholders to adopt the agreement to dissolve the company or the agreements that have the purpose of enervating the cause, is suspended until the end of this state of alert.

■ Foreign investments

- Suspension of investments made by residents of countries outside the EU and the European Free Trade Association when the investor holds a stake equal to or greater than 10% of the share capital of the Spanish company, or participates effectively in the management or control of the company.
- Foreign investments that affect public order, public security and public health;
- If the foreign investor is directly or indirectly controlled by the government of a third country;



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- If the foreign investor has invested or participated in activities in sectors affecting security, public order and public health in another EU Member State;
- No deadline has been set for lifting the suspension of foreign investment in the capital of Spanish companies.
- Sanctions: All those acts, businesses, transactions or operations related to foreign direct investment in Spain, without requesting prior authorization, will be considered very serious infractions
 - Listed companies
- The obligation to publish and submit the annual financial report and the report on the audit of the annual accounts to the CNMV is extended to six months from the close of the financial year. This period is extended to four months for the publication of the interim management statement and the half-yearly financial report.
- The Ordinary General Meeting may be held within ten months of the end of the financial year.
- The Board of Directors may, in the notice of the General Meeting, provide for attendance by telematic means and remote voting, as well as for the holding of the meeting in any place within the national territory, even if these matters are not provided for in the Articles of Association. If the call of meeting has already been published, any of these cases may be provided for in a supplementary notice to be published at least five calendar days before the date scheduled for the meeting.
- Meetings of the Board of Directors held by videoconference or telephone conference are permitted, even if not provided for in the Articles of Association.
- In the event of a modification of the proposed application of the result, the new proposal, its justification by the governing body and the auditor's statement must be made public, at the time they are approved, as complementary information to the annual accounts on the company's website and on that of the CNMV as other relevant information.

Financial measures

- Ico guarantee line for companies and self-employed
- A first tranche of 20 billion Euros is activated, with 50% destined for the self-employed and SMEs.
- It is intended for financing granted to the self-employed, SMEs and companies after 18 March 2020.
- The guarantee will reach 80% of the amount of new operations requested by the self-employed and SMEs, 70% in the case of companies and 60% in the case of mere renewals.
- The maximum duration of the guarantee will be 5 years.
- The cost of the guarantee will be assumed by the financial entity.
- The financed party must not have been in default by 31 December 2019 or in bankruptcy proceedings by 17 March 2020.
- The application must be channelled through the financial institutions before 30 September 2020.



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- The guarantees will be intended for financing operations granted as from 18 March 2020, without it being possible to use them in refinancing operations.
- Institutions must keep the cost of new operations in line with existing ones prior to the declaration of the alarm status, as well as maintain the limits of working capital financing to their clients.
 - Various
- Approval of a line of guarantees for the coverage by the State of financing for tenants in a situation of social and economic vulnerability as a result of the expansion of COVID-19.
- Temporary suspension of obligations arising from non-mortgage credit agreements.
- Right to receive the social bond for self-employed persons who have ceased their activity or have seen their turnover reduced as a result of the COVID-19.
- New aid program to help minimize the economic and social impact of COVID-19 on the rental of permanent housing for particularly vulnerable people.
- The procedures for calls for loans or aid from the General Secretariat of Industry and SMEs that were pending resolution at the time of the entry into force of Royal Decree 463/2020 are made more flexible.

Labour law measures (ERTE'S)

- Dismissal and termination
- Force majeure and the economic, technical, organizational and production causes underpinning the measures of suspension of contracts and reduction of working hours due to force majeure and objective causes may not be understood as justifying the termination of the employment contract or dismissal.
- The termination of a contract or the dismissal of an employee for reasons linked to the COVID-19 will be null and void.
- An employment contract may not be terminated on the grounds of any cause linked to or as a result of the crisis generated by COVID-19.
 - Temporary contracts extension
- The suspension of temporary contracts, including training, relief and interim contracts, for reasons of force majeure or objective causes, will entail the interruption of the calculation of their duration and of the reference periods equivalent to the suspended period.
- Suspended temporary contracts will be extended for a period equivalent to that of the suspension agreed in the ERTE due to Force Majeure and objective causes linked to COVID-19.
 - ERTE duration force majeure
- The Force Majeure ERTES will have the express duration of until the end of the alarm state, the initial period and its extensions.



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- The ERTes authorized by positive silence, which has not been expressly resolved, will have the same duration regardless of the content of the request for duration by the company.

- Sanctions

- The company may be sanctioned for applications that contain false or incorrect information in the application of the ERTE.

The same sanctions shall be applied in the event that the measures requested are not necessary or are not sufficiently connected with the cause that gave rise to them.

- Such breaches shall give rise to an ex officio review of the unduly recognized benefit, and the company shall pay the amounts received by the worker, deducting them from the wages that would have been due.

- The Labour and Social Security Inspectorate, in collaboration with the AEAT and the State Security Forces, will include among its action plans the verification of the existence of the causes alleged in the requests and communications of ERTes based on Force Majeure and Objective Causes linked to the COVID-19.

- The Labour and Social Security Inspectorate will have a period of 4 years to review all improperly recognized benefits and thus apply the corresponding sanctions, which is the period of limitation for Social Security and inspection.

- Social security contributions

- Companies with less than 50 employees: The company will be exonerated from the payment of the company's contribution, as well as the contributions for joint collection, during the period of suspension of contracts or reduction of working hours authorized on this basis when the company has less than 50 employees registered with Social Security.

- Companies with more than 50 employees: the exemption from the obligation to pay contributions will reach 75 % of the company's contribution.

- The exoneration of quotas will not affect the employee's contribution, being considered as a contribution period.

- The request will be addressed by the employer to the TGSS identifying employees affected and period. The bonuses will be applied once it is constant that the employee receives unemployment benefit.

- The exemption of the contributions by the company only affects the cases of ERTE due to force majeure.

- Unemployment benefit

- Unemployment benefit: The employees concerned are entitled to unemployment benefit even without a minimum period of contribution. The period will not count towards the maximum benefit period. Both the absence of a prior qualifying period and the non-use of the benefit are limited to the duration of the



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extraordinary situation resulting from Covid-19. The unemployment benefit must be requested collectively by the company on behalf of the workers, with the prior individual authorization of each of them.

- Beneficiaries: affected employees, whether at the time of the business decision they had suspended their previous entitlement to unemployment benefit or allowance, or did not have the minimum period of contributory employment to qualify for contributory benefit, or did not receive previous unemployment benefit.

- Calculation of the benefit: 70% of the regulatory base of the last 180 days. If the contribution period is shorter, the base will be calculated on the basis of the contribution bases applied during the employment relationship concerned.

- Duration of the benefit: Until the end of the period of suspension of the employment contract or temporary reduction of the working hours caused by it.

- Unemployment benefit will be extended for the duration of any restrictions on mobility or affecting the operation of services..

Commercial law measures

None

Custom measures

- Contract resolution

Right to terminate contracts for the sale of goods and services without penalty for consumers and users. The

consumer and user will have the right to terminate the contract for a period of 14 days, in the event that as a result of the measures taken during the state of alarm, the contracts signed by them, including those of a successive nature, are impossible to fulfil.

- Suspension

In the case of contracts for the provision of successive services, the collection of further fees shall be suspended until such time as the service can be resumed normally.

- Refund

In the case of contracts involving several suppliers, such as package holidays, the consumer or user may choose to request a refund or make use of the voucher (within 1 year of the conclusion of the alarm state) which will be provided by the organizer or, where appropriate, the retailer. If the consumer does not use the voucher for 1 year, the right of reimbursement can be exercised.

- Gambling

Measures limiting commercial communications by entities carrying out a gambling activity regulated by Law 13/2011 of 27 May on the regulation of gambling, in order to avoid an increase in the consumption of online games of chance.

Controversies

- Suspension of terms and deadlines

Terms are suspended and time limits provided for in procedural laws are suspended and interrupted for all



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jurisdictional orders. The calculation of the time limits will be resumed at the moment that the present royal decree or, if applicable, its extensions, becomes invalid.

- Exceptions to the suspension of terms and deadlines

- In the criminal justice system, suspension and interruption shall not apply to habeas corpus proceedings, proceedings entrusted to the guard services, proceedings with detainees, protection orders, urgent prison surveillance proceedings and any precautionary measures relating to violence against women or minors.

- Likewise, during the investigation phase, the competent judge or court may agree to carry out those actions which, due to their urgent nature, cannot be postponed.

- With regard to the other jurisdictional orders, the interruption referred to in the first paragraph shall not apply to the following cases

- a) The procedure for the protection of the fundamental rights of the person provided for in Articles 114 and following of Law 29/1998, of 13 July, regulating the Contentious-Administrative Jurisdiction, nor to the processing of the judicial authorizations or ratifications provided for in Article 8.6 of the aforementioned law.

- b) The procedures for collective conflict and for the protection of fundamental rights and public freedoms regulated by Law 36/2011, of 10 October, which regulates social jurisdiction.

- c) Judicial authorization for non-voluntary detention on grounds of mental illness, as provided for in Article 763 of Law 1/2000 of 7 January on Civil Procedure.

- d) The adoption of measures or provisions for the protection of minors as provided for in article 158 of the Civil Code.

- Notwithstanding the foregoing, the judge or court may agree to conduct any judicial proceedings that are necessary to avoid irreparable harm to the rights and legitimate interests of the parties to the proceedings.

- Prescription and expiration of actions

- The periods of prescription and expiry of any actions and rights will be suspended during the period of validity of the state of alarm and, where appropriate, any extensions adopted.

Energy law measures

- Suspension

- Prohibition to suspend the supply of electricity, natural gas and other derived products to individuals in their habitual residence during the validity of the alarm state, except for reasons directly linked to security reasons.



SPAIN

- Establishment of a mechanism for suspending payment of electricity, natural gas and certain petroleum products.

- Flexibility of electricity contracts

Flexibility in electricity supply contracts for companies and self employees.

- a) Possibility of temporarily suspending or modifying their supply contracts, or the extensions of such contracts, in order to contract another alternative offer with the marketer with whom they have an existing contract, in order to adapt their contracts to their new consumption patterns, without any charge by way of penalty.
- b) Requests for changes of power or access charges should be met by suppliers irrespective of whether the consumer has voluntarily changed the technical terms of their contract for third party access to the network within a period of less than 12 months, and even if there has been no change in the structure of access charges or charges affecting them.

Regulatory measures

- Suspension
 - Suspension of deadlines in the area of taxation of the Autonomous Communities and Local Entities.
 - Suspension of public contracts and determination of damages for which the contractor may be compensated

- Deadlines for the formulation and presentation of annual accounts for the 2019 financial year of State public sector entities and for the submission of the General State Account to the Court of Audit. The periods provided for in the regulations that will be applicable will be suspended from the time of the declaration of the state of alarm.

- Suspension of deadlines for the execution of the resolutions of economic-administrative bodies. The period from the entry into force of the state of alert until 30 April 2020 shall not be counted for the purposes of the maximum duration of the period for execution of the resolutions of economic-administrative bodies.

- Postponement

- Extraordinary postponement of the repayment schedule for loans granted by Autonomous Communities and Local Entities to entrepreneurs and self-employed workers affected by the health crisis caused by the COVID-19.

- Deferment of debts arising from customs declarations.

- Deadline modifications

Modification of the granting of subsidies to extend the deadlines for carrying out the subsidized activity and for justifying and verifying that it has been carried out, even though this was not provided for in the corresponding regulatory bases.



SPAIN

- Deadline extensions
 - Extension of the time limit for administrative appeals. The calculation of the period to lodge an administrative appeal will be calculated from the working day following the date of completion of the declaration of the state of alarm, regardless of the time that has elapsed since the notification of the administrative action under appeal.
 - Extension of the deadlines applicable to the payments to be justified. They will have an additional period of one month for their submission, and in any case until one month after the end of the alarm state.
- The payment of interest and repayment of certain loans granted by the Secretariat of State for Tourism under the Emprendetur program to support businesses in the tourism sector is suspended for a period of one year without prior application.
- ICEX is authorized to refund non-recoverable expenses incurred by companies in respect of fees paid for participation in fairs or other activities to promote international trade, which have been called by the entity and have been cancelled, postponed or affected by COVID-19.

Other law departments measures

None

Other measures

- Right to receive the social security voucher for self-employed persons who have ceased their activity or whose turnover has been reduced as a result of the COVID-19.
- Pension fund rescue. During the period of six months, the participants of the pension plans are allowed, exceptionally, to make their consolidated rights effective in the cases assessed and for determined amounts.
- 60 million for CERSA (Re-guarantee Spanish Company), so that it can guarantee a greater number of operations.



Tax Tracker

Indirect Tax Measures

Companies which temporarily experience payment difficulties because of COVID-19 may apply for deferment with VAT – more information can be found in under 'other taxes'.

Corporate Income Tax measures

None

Other Taxes

- Companies which temporarily experience payment difficulties because of the COVID-19 effects may apply for deferment with payment of employer's contributions, provisional tax on salaries as well as VAT. A company should be able to apply for the deferment with up to three tax payments and the deferment will last for maximum 12 months.
- The social security contribution will temporary be reduced, from 31.42 % to 10.21 %, between 1 March to 30 June 2020. The reduction applies up to 30 employees and for the salary up to SEK 25,000 per employee and month, which gives a relief of SEK 5,300 per employee and month. A reduction is also proposed for sole traders.
- The rules regarding tax allocation reserves ('periodiseringsfond') will be temporarily changed for sole traders and Swedish partnerships with natural partners. The new rules imply that 100 % of the tax

adjusted profit for 2019 may be allocated towards the 'periodiseringsfond', with an upper limit of SEK 1,000,000, which later may be used against future losses.

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

- A state loan guarantee is introduced which means that the state grants up to 70 % of new loans from the banks to companies that have suffered financial difficulties due to COVID-19, but which are otherwise viable. Each company can have a loan of maximum SEK 75 million, but exceptions can be made.
- The first day of sick leave, which formerly was unpaid, is now paid by the Government for the period from 11 March to 31 May. Also, the sick note requirement is removed which means that someone who is off work because of sickness can be on sick leave for up to 14 days without handing in a sick note.

The Government will temporarily take on the full cost of all sick leave costs during April and May 2020. Self employed are also compensated by way of receiving a conventional sick leave pay for day 1-14 of the sickness.



SWEDEN

- The Government have proposed a new system regarding short-time work allowance, i.e. a temporary lay-off of work force. The employer's costs may then be reduced by up to 50 % if the working time of the employee is reduced, whilst the employee would keep approximately 90 % of the salary.

The Government would step in and pay for large parts of the cost. There are three levels of reduced working hours: 20, 40 or 60 percent which would imply reduced costs by 19, 36 and 53 percent respectively for the employer. The support can only be in relation to employees which have been paid for at least three months in advance of the application and for which the employer is paying employer's contributions during the supported month.

Compensation for short-time work allowance will cover monthly salaries up to SEK 44,000 and can be given for six months, with the possibility to extension for an extra three months.



Tax Tracker

Indirect Tax Measures

Default interest rate for late VAT payment is reduced to 0% from March 20 until December 31, 2020. The payment deadline may be postponed by three months.

Corporate Income Tax measures

The payment deadlines of all invoices regarding the Direct Federal Tax, issued from March 1, 2020 until December 31, 2020, can be postponed without any interests and penalties until December 31, 2020 (does not apply to reminders).

In general, the payment deadlines of invoices regarding the cantonal profit and equity taxes may also be postponed without any interests. Specific procedure has to be assessed with the competent Cantonal tax authority.

Some of the Cantonal tax authorities extended the submission deadlines for the corporate income tax returns.

Some of the Cantonal tax authorities will currently not issue final tax assessments or invoices.

If a company is affected by a closure ordered by the authorities as a result of COVID-19, or if there is a massive decrease of the revenue as a result of the COVID-19 pandemic, some of the Cantonal tax authorities indicated to accept a respective provision in the 2019 annual financial statements (subject to approval).

Other Taxes

Some of the Cantonal tax authorities extended the submission deadlines for the individual income tax returns.

Some of the Cantonal tax authorities will currently not issue final tax assessments or invoices.

Customs Measures

None

Tax Audits and Controversies

Legal deadlines still apply.

It should be clarified with the competent tax authorities if planned audits may be postponed.

Other Measures

■ Employment Relief

Businesses impacted by COVID-19, being it directly because of mandatory closure by the government (e.g. restaurants, non-essential shops etc.), or indirectly because of economic reasons (i.e. structural and conjectural reasons that lead to a decline in demand and sales) can submit a request for short-time working compensation to the cantonal authorities. Short-time working compensation encompasses the Unemployment insurance (UI) covering employers affected by the COVID-19 for a proportion of their salary costs (80% of the salary being covered by the UI, with a maximum individual insured salary of CHF 148'200 per year) for a specific duration. In contrast to unemployment benefits, the benefits are paid to the employer.



SWITZERLAND

- Social Security

The payment deadlines of social security contributions can be extended.

- Loans

As of Thursday March 26, companies can ask their banks directly for a 0% interest rate loan of up to 10% of their yearly income, (for a loan of max. CHF 500'000), fully guaranteed by the Swiss government. Whereas for bigger companies, amounts of up to 10% of their income (for a loan not exceeding CHF 20'000'000) can also be borrowed from the banks, those however have an interest rate of 0.5% and are guaranteed by the government at 85%, the rest being borne by the bank itself.

- Dunning and debt collection

Some of the Cantonal tax authorities will not issue reminders or initiate debt collection for a specific time period.

Tax Tracker

Indirect Tax Measures

- The value-added tax declarations and payments have been deferred within the scope of the announcement made by the Revenue Administration. The deferment includes the companies that were considered under *force majeure* regarding their main areas of activity. Within the scope of procrastination, the payment periods of the VAT Declarations due by the end of 26/3/2020 and the payment periods of the taxes accrued on these declarations have been deferred to 24/4/2020. Moreover, the period of issuance of the VAT declaration due in April, May and June have been deferred until 27/7/2020; the payment periods for the accrued taxes on them have been extended to 27/October, November, December.
- During the period *force majeure* is declared, reverse charge VAT will not be applied for purchases within the scope of partial reverse charge by taxpayers that are within the scope of *force majeure*.
- Vat rate reduced from 18% to 1% for 3 months in domestic airline transportation. The period includes April, May and June.

Corporate Income Tax measures

In the General Communiqué prepared by the Ministry, the period of submission of the withholding tax

return declarations in April, May and June have been extended until the end of July 27, 2020. In addition to this, the payments have been extended for six months for the taxpayers who are directly affected by the epidemic regarding their sector and main activities. The mentioned sectors are following: Retail Trade and Shopping Centers, Iron And Steel and Metal Industry, Automotive, Logistics-Transportation, Cinema and Theatre Activities, Accommodation, Food and Beverage Services, Textile and Apparel Activities, Event and Organization, Health Care, Furniture Manufacturing, Mining and Quarrying, Construction, Industrial Kitchen Equipment, Car Rental, Printed Publication and Printing.

Other Taxes

- The Recycling Participation Share' declaration and payment periods have been deferred for all companies until the end of July.
- The accrued tax payments based on the declaration and declarations for income taxpayers have been deferred from 31 March 2020 to 30 April 2020.
- The date of implementation of the accommodation tax has been postponed to 1 January 2021.

Customs Measures

- Authorised Liabie Certificate (YYS) has been extended in its obligations such as notifying the customs authority of the companies that are in the application process or who have

been certified, presenting documents, addressing deficiencies, updating the documents.

- Temporary export ban on exotic animals and pets due to the COVID-19 pandemic.
- The exportation of some products, such as "mask, overalls, apron, glasses and gloves" and "Ethyl Alcohol, Cologne, Disinfectant, Hydrogen Peroxide and Meltblown Fabric", has been added to Pre-Permitted Goods List.
- Import of agricultural products and all kinds of live-inanimate animals, animal products and by-products from China have been temporarily suspended.
- Within the scope of *force majeure*, in order to start at the end of the period, it has been deemed appropriate to give 6/12 months additional period to inward processing in accordance with the application and demand for documents prepared / used before 18.03.2020.
- Collection from customs teller has been stopped until 10.04.2020.
- The procedures of some critical medical equipment such as surgical gloves, intravascular catheters, serum and blood donation sets, etc. have been simplified related with combating the COVID-19 outbreak
- Bulk Ethyl Alcohol which 10% customs rate was generally applied

to under normal conditions, has been included in the final use and it has been decided to apply "0%" tariffs in case aforementioned item is used in "Cologne and Disinfectant" production.

- Additional tariffs has been removed from some products such as ozonotherapy, oxygenotherapy, aerotherapy, artificial respiration or other therapeutic respiration devices, disposable medical masks.
- The periods which have been taken by firms regarding their temporary import regime, processing regime under customs control, exclusion processing regime or temporary export has been postponed to 30.06.2020 without the application requirement.

Tax Audits and Controversies

None

Other Measures

- The declaration date of Large Purchasing and Large Sale form (Form Ba-Bs) has been extended.
- According to new regulation of short working allowance, 60% wage burden of the employers will be covered by the government within the framework of missing hours. In addition, the conditions of short work allowance' benefit are simplified. Furthermore, the working time regarding service contract of 120 days prior to the short working start date has been reduced to 60 days and the



TURKEY

insurance premium payment period which in the last three years has been reduced from 600 days to 450 days.

- Some of the public and private banks decided to provide credit facilities within the scope of various instruments in order to ensure the continuity of cash flow for companies.



Tax Tracker

Indirect Tax Measures

- A range of medicines and hospital supplies for preventing the occurrence and spread of coronavirus disease (COVID-19) is exempted from VAT till the end of quarantine. As of today, quarantine is postponed till 24.04.

Corporate Income Tax Measures

- The donation of cash, range of medicines and hospital supplies and cash to non-profit organizations are recognized as fully deductible for tax purposes (previously deduction restrictions were in place) for 2020.
- The hospitals and other healthcare institutions are exempt from corporate profit tax on profit from range of medication for preventing the occurrence and spread of the coronavirus disease (COVID-19) (for 2020).

Other Taxes

- The threshold of maximum annual revenue that gives right for simplified tax system are increased.
- Private entrepreneurs, self-employed individuals and private farmers are exempt from social tax for themselves from 1 March, 2020 till 30 April, 2020.

- Deadline for submitting of personal tax return is postponed until July 1, 2020 from May 1, 2020 and for payment of PIT liabilities – until October 1, 2020 from August 1, 2020.
- For March 2020 taxpayers are exempted from paying:
 - the land tax (for the plots which are used for business activities);
 - real estate tax (for non-residential real estate)
- Temporarily, until May 31, 2020, the rate of excise duty on alcohol used in the production of disinfectants is 0 UAH.

Customs Measures

- A range of medicines and hospital supplies for preventing the occurrence and spread of coronavirus disease (COVID-19) is exempted from customs duty.

Tax Audits and Controversies

- Moratorium on documentary and onsite tax audits (except for tax audits regarding the VAT refund and for onsite tax audits regarding excise tax) for the period from March 18, 2020 until May 31, 2020.
- Ongoing tax audits suspended, and planned tax audits rescheduled to a later date.



UKRAINE

- From March 1, 2020 to May 31, 2020 no fines are applied for violation of the tax legislation except of:
 - violations of VAT, excise tax and rent tax rules
 - violations of requirements for long-term life insurance or non-state pension insurance contracts;
 - the alienation of property in the tax lien, without the consent of the supervisory authority;
 - violations of rules regarding accounting, production, storage and turnover of fuel, ethanol, alcohol or tobacco products.
- Late payment interest for the period from March 1, 2020 to May 31, 2020 should be written off, late payment interest does not charge within that timeframes.
- Waiving penalties and interest for late submission of the unified social tax reports and late social tax payments from 1 March, 2020 until 31 May, 2020.

Other Measures

- A three months postponement of mandatory cash register rules.
- From March 1, 2020 to April 30, 2020, citizens are exempted from paying fines and penalties for late payment on consumer loans.
- For the duration of the quarantine or restrictive measures related to the spread of coronavirus disease (COVID-19) (and 30 days after quarantine) citizens are exempted from paying fines and penalties for late payment on utilities.
- Foreigners who are unable to leave the Ukrainian territory or were unable to apply to State Migration Service for temporary residence permit/prolongation of allowed term for staying in Ukraine, are relieved from administrative penalties.



Tax Tracker

Indirect Tax Measures

VAT payments for firms have been deferred in the period from 20 March 2020 until 30 June 2020. This means that no VAT registered business will pay VAT from now until the end of June, and they'll also have until the end of the financial year to repay those bills. Direct debits must be cancelled otherwise payments will continue to be collected.

Corporate Income Tax measures

None

Other Taxes

Income tax payments due on 31 July 2020 under self-assessment will be deferred until 31 January 2021.

Customs Measures

None

Tax Audits and Controversies

We are seeing some closure of tax audits at this time "in the public interest at this time".

Other Measures

Due to the current public health situation and the impact of Coronavirus (Covid-19) on companies (e.g. self-isolating), Companies House may grant those who apply, an extension to file company accounts. If it becomes apparent immediately before the filing deadline that accounts will not be filed on time due to companies being affected by Coronavirus (COVID-19), companies may make an application to extend the period allowed for filing.

Companies House advise that companies should act before the filing deadline.

Homeowners can get a three-month mortgage holiday if they need it.

£1bn of support for renters, by increasing the generosity of housing benefit and Universal Credit, so that the Local Housing Allowance will cover at least 30% of market rents.

■ The Corona Virus Job Retention Scheme

This is a grant to employers pay the salaries of furloughed employees. CJRS payments will be 80% of the salary, up to £2,500 per month an employee ; applying in respect of earnings in the same period in the previous year or the average earnings in the whole previous 12 months. Initially CJRS will run for 3 months, but the Chancellor announced this can be extended if the government considers this necessary.

■ Statutory Sick Pay (SSP) Concerning Covid-19 - business less than 250 employees

Statutory Sick Pay concerning COVID-19 will be refunded by businesses with less than 250 employees, for up to two weeks per employee. Sick pay has also been extended for those who have to self-isolate, even if not ill, and sick notes will be available from NHS number 111. Employment Allowance Will Increase from £3,000 to £4,000 from April 2020. Please note this will only be available to businesses which have a Class 1 Secondary NICs bill of £100,000 or less in the previous tax year.



UNITED KINGDOM

There will also be increases in the flat-rate deduction for homeworking from April 2020, to cover additional household expenses from £4 per week to £6 per week. This is typically paid to help employees with the additional costs of heating the home, water usage etc.

- Corona Virus Business Interruption Loan Scheme (CBILS) - for SMEs

The Coronavirus Business Interruption Loan Scheme will be interest free for twelve months. 40+ accredited lenders and partners.

- Eligibility terms confirmed
- Details released on how smaller businesses can apply for the scheme

23 March 2020: Announced by the Chancellor at Budget 2020, the Coronavirus Business Interruption Loan Scheme (CBILS) opens for applications today and can provide facilities of up to £5m for smaller businesses across the UK who are experiencing lost or deferred revenues, leading to disruptions to their cashflow.

Delivered by the British Business Bank, through 40+ accredited lenders and partners, the Coronavirus Business Interruption Loan Scheme will support the continued provision of finance to UK smaller businesses (SMEs) during the Covid-19 outbreak. Although the Budget announced that an initial £1.2bn of government-backed lending would be available through the new scheme, the government has since announced that

it will be demand-led and will be resourced accordingly.

Scheme features: The Coronavirus Business Interruption Loan Scheme supports a wide range of business finance products, including term loans, overdrafts, invoice finance and asset finance facilities. The scheme provides the lender with a government-backed guarantee, potentially enabling a 'no' credit decision from a lender to become a 'yes'.

- Up to £5m facility: The maximum value of a facility provided under the scheme will be £5m, available on repayment terms of up to six years.
- 80% guarantee: The scheme provides the lender with a government-backed, partial guarantee (80%) against the outstanding facility balance, subject to an overall cap per lender.
- No guarantee fee for SMEs to access the scheme: No fee for smaller businesses. Lenders will pay a fee to access the scheme.
- Interest and fees paid by Government for 12 months: The Government will make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees, so smaller businesses will benefit from no upfront costs and lower initial repayments.



UNITED KINGDOM

- Finance terms: Finance terms are up to six years for term loans and asset finance facilities. For overdrafts and invoice finance facilities, terms will be up to three years.
- Security: At the discretion of the lender, the scheme may be used for unsecured lending for facilities of £250,000 and under. For facilities above £250,000 the lender.
- Corona Virus Business Interruption Loan Scheme (CBILS) - for Large Business

The new Coronavirus Large Business Interruption Loan Scheme (CLBILS) will provide a government guarantee of 80% to enable banks to make loans of up to £25 million to firms with an annual turnover of between £45 million and £500 million.

The government expects the scheme to be delivered through commercial lenders. The government will provide lenders with an 80% guarantee on individual loans for businesses that would be otherwise unable to access the finance they need.

Lenders will still be expected to conduct their usual credit risk checks. This scheme allows lenders to specifically support businesses that were viable before the COVID-19 outbreak but now face significant cash flow difficulties that would otherwise make their business unviable in the short term.

The new scheme will launch later this month and will support a wide range of businesses to access finance products including short term loans, overdrafts, invoice finance and asset finance.

- COVID Corporate Financing Facility - for Large Businesses

In addition to CBLIS, the Government have introduced the Covid Corporate Financing Facility (CCFF), intended to support larger businesses (typically plcs or government-backed companies with low gearing) with the Bank of England stating it will buy Commercial Paper issued by investment grade companies at the prices that existed on 1 March 2020.

- Other

Small business rates relief including the sectors mentioned above you will receive a cash grant of £10,000. This grant was mentioned in the budget at a rate of £3,000 – this has now been increased to £10,000.

£3k grant for businesses eligible for small business rates relief or rural rates relief.

Self-employed people will be able to access, in full, Universal Credit at a rate equivalent to Statutory Sick Pay for employees. The Chancellor has also announced the Self-employed Income Support Scheme, which will pay a taxable grant of 80% of average monthly profits over the last 3 years (based on the tax returns filed for the 3 years to 5 April 2019) up to a maximum of £2,500.



UNITED KINGDOM

This scheme will run for 3 months but can be extended if necessary. This level of grant and time period has been designed to be in line with the Coronavirus Job Retention Scheme (CJRS), the scheme to support the employed but only open to people with trading profits up to £50,000.

IR35 Off Payroll workers changes – These have been deferred for 12 months.



ASIA PACIFIC

COVID-19 Tax Subsidies

		Indirect Tax measures	Corporate Income Tax measures	Other Taxes	Customs measures	Tax Audits and controversies	Other measures (macroeconomic, legal, labour, etc.)
	Australia	✓	✗	✓	✗	✗	✓
	China	✓	✓	✓	✓	✓	✓
	Hong-Kong	✗	✓	✓	✗	✗	✓
	India	✓	✓	✗	✓	✗	✓
	Indonesia	✗	✓	✓	✓	✓	✓
	Japan	✓	✓	✓	✓	✗	✓
	Malaysia	✓	✓	✓	✓	✓	✓
	Philippines	✓	✓	✓	✓	✓	✓
	Singapore	✓	✓	✓	✗	✗	✓
	South Korea	✓	✓	✓	✓	✓	✓
	Thailand	✓	✓	✓	✓	✓	✓
	Viet-Nam	✓	✓	✓	✓	✓	✓

n/a Not available ✓ Implemented ✗ None

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AUSTRALIA

Tax Tracker

Indirect Tax Measures

Each State and Territory of Australia imposes Payroll tax, which is a tax on employers based on the wages paid. Each State has offered different measures ranging from a deferral of payment of tax, to an exemption of payroll tax for a number of months.

No relaxation on Goods and Services Tax or other indirect Federal taxes although there is potential to apply for payment deferrals.

Corporate Income Tax Measures

No general relaxation provided although the Australian Taxation Office (ATO) is amenable to providing lodgement and payment deferrals, including refunds of previously paid instalments, on a case by case basis.

Other Taxes

Stimulus provided for employment taxes. For eligible employers (aggregated turnover of < A\$50 Million), the ATO will credit the taxes withheld from wages from January to June 2020 up to A\$50,000 per employer. An identical credit will apply between June and September 2020 if the employer remains active.

Customs Measures

None

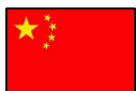
Tax Audits and Controversies

No general stimulus provided although the ATO is amenable to deferrals on a case by case basis.

Other Measures

The Government will pay a wage supplement (JobKeeper allowance) of \$1,500 per eligible employee per fortnight for up to 6 months to eligible employers who can demonstrate a significant drop in turnover compared with 2019.

Additional investment incentives provided for businesses with < A\$500 million aggregated turnover, including immediate deductions for depreciating assets purchased with a cost of up to A\$150,000 from 12 March 2020 to 30 June 2020 and accelerated depreciation for other assets acquired up to 30 June 2021.



Tax Tracker

Indirect Tax Measures

- The imported materials donated for epidemic prevention and control shall be exempted from custom duties, VAT and consumption tax.
- Enterprises producing key materials for epidemic prevention and control may apply for full refund of the incremental VAT credit on a monthly basis .
- VAT shall be exempted from income from the transportation of key materials for epidemic prevention and control.
- VAT shall be exempted from the income derived from taxpayers' provision of public transportation services and daily life services, as well as the provision of express delivery services for residents' essential daily supplies.
- Enterprises and individual business donating goods that are self-manufactured, consigned processed or purchased for handling the epidemic through public welfare social organizations and the people's governments, shall be exempted from VAT and consumption tax, urban maintenance and construction tax, local surcharge.
- From March 1st to May 31th, the VAT of small-scale taxpayers in Hubei province was exempted, and the rate of VAT for small scale businesses in other regions was reduced from 3% to 1%.

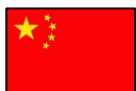
- From May 1, 2020 to the end of 2023, second-hand car dealers will be subject to a reduced VAT (at the rate of 0.5% instead of the previous 2%) on sales of used cars.
- The subsidy for new energy vehicles and exemption from vehicle purchase tax will be extended to December 31, 2022.
- The deadline for tax filing in April 2020 has been extended from 20 April to 24 April.

Corporate Income Tax measures

- For the newly purchased equipment of key material manufacturers for epidemic prevention and control to expand production capacity, the company can claim one-time deduction for the assets purchased before CIT.
- The loss incurred in 2020 can be carried forward for eight years for companies engaged in catering, hotels, tourism, transportation industries, which are greatly affected by the epidemic.
- Donations of cash and materials through public welfare social organisations or people's governments at or above the county level and their departments or to hospital to deal with COVID-19 can be fully deducted before the enterprise income tax.

Other Taxes

- Individual income tax shall be exempted from the temporary work subsidies and bonuses obtained by medical personnel and epidemic prevention workers who



CHINA

participate in epidemic prevention and control work in accordance with the standards set by the government.

- Individual income tax shall be exempted from the temporary work subsidies and bonuses obtained by medical personnel and epidemic prevention workers who participate in epidemic prevention and control work in accordance with the standards set by the government.
- During the epidemic prevention and control period, if it is really difficult to pay property tax or urban land use tax for enterprises whose real estate or land has been requisitioned by the government in an emergency, they may apply for reduction or exemption of corresponding property tax or urban land use tax.

Customs Measures

The imported materials donated for epidemic prevention and control shall be exempted from custom duties.

Tax Audits and Controversies

During the period of epidemic prevention and control, if the taxpayer has difficulty in handling the declaration within the statutory time limit due to the impact of the epidemic, it may apply for a further extension. Where it is difficult to pay tax on time due to the impact of the epidemic, if the conditions for deferring tax payment are met, a deferring of tax payment shall be granted in accordance with the law

and the maximum period shall not exceed 3 months. Taxpayers who fail to report or pay tax on time due to the impact of the epidemic may be exempted from the corresponding overdue fine and tax administrative penalties upon confirmation by the competent tax authorities.

Other Measures

- National measures:
 - Enterprises that have serious difficulties in production and operation affected by the epidemic may apply for a holdover (6 months) of social insurance premiums without overdue fine.
 - Exempt the employer contribution part of the pension, unemployment and injury insurance for all types of insured companies in Hubei province from February to June 2020.
 - Exempt the employer contribution part of the pension, unemployment and injury insurance for proprietorship from February to June 2020.
 - Exempt the employer contribution part of the pension, unemployment and injury insurance of micro ,small and medium-sized enterprises from February to June 2020.
 - Exempt half of the employer contribution part of the pension, unemployment and injury insurance of large scale enterprises from February to April 2020.



CHINA

- Local measures:
 - Local governments have issued local financial support to companies, such as waiving of rental, reduce the social contribution ratio, refund of part of the social contribution paid in 2019, subsidize the company for training expenses incurred, etc.



Tax Tracker

Indirect Tax Measures

None

Corporate Income Tax measures

The Hong Kong Inland Revenue Department ("HKIRD") will delay its issuance of Hong Kong Profits Tax ("HKPT") returns for the Year of Assessment ("Y/A") 2019/20 to 4 May 2020. Generally, taxpayers are required to submit their HKPT returns by 3 June 2020.

For taxpayers who appoint tax representatives to handle their Y/A 2019/20 HKPT returns, the HKIRD will grant extension of time for filing their HKPT returns to the following dates:

- For taxpayers with accounting year end date of
- 1 April 2019 to 30 November 2019: 30 June 2020
- 1 December 2019 to 31 December 2019: 17 August 2020
- 1 January 2020 to 31 March 2020: 16 November 2020

Other Taxes

The HKIRD will delay its issuance of Hong Kong Salaries Tax ("HKST") returns for Y/A 2019/20 to 1 June 2020. Generally, taxpayers are required to submit their HKST returns by 30 June 2020.

For taxpayers who appoint tax representatives to handle their Y/A 2019/20 HKST returns, the HKIRD will grant extension of time for filing their HKST returns to the following dates:

- For cases not involving sole proprietorship business accounts: 3 August 2020
- For cases involving sole proprietorship business accounts: 2 November 2020

The IRD would accept the Hong Kong entity and its service provider as having complied with the notification deadline for country-by-country ("CbC") reporting for the relevant accounting period ended between 31 December 2019 and 29 February 2020, provided that the notification is received via the CbC Reporting Portal on or before 1 June 2020.

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

- Taxpayers who encounter financial difficulties in settling their tax bills on time can apply to the HKIRD for payment of tax by instalments. For instalment plans approved by the HKIRD for Y/A 2018/19, provided that the instalment plans are duly adhered to, no surcharge (i.e., generally at 5% or 10% depending on the circumstances) will be imposed for a maximum period of one year counting from the respective due dates of the demand notes.



Other Measures (cont'd)

- Tax payment deadlines for HKST, Personal Assessment ("PA") and HKPT demand notes for Y/A 2018/19 which fall between April to June of 2020 are automatically extended by three months. If taxpayers for HKST, PA and HKPT have already settled the first payment in accordance with the demand note for Y/A 2018/19, the deadline for the second payment is automatically extended for three months from the date specified on the demand note. The above relief measure is not applicable to taxpayers who have to settle their tax liabilities before departing Hong Kong, taxpayers paying property tax and taxpayers who have been approved to pay their taxes by instalments.
- Deadlines for lodgment of objections and holdover applications as well as submission of tax returns and information that fall between March 23 and May 2 are automatically extended to May 4.



Tax Tracker

Indirect Tax Measures

- Goods and Service Tax (GST):
- 1. Smaller taxpayers having annual turnover up to INR 50 million can file their monthly GST returns due in the months of March, April and May 2020 (i.e. for supplies made in the months of February, March and April, 2020 by 30 June, 2020 without any interest or late fees.
- 2. Bigger taxpayers having annual turnover of more than INR 50 million, can file their monthly GST returns due in the months of March, April and May, 2020 by 30 June, 2020 after paying the GST with a reduced rate of interest of 9% p.a. Late filing fees has been waived.
- 3. Annual return: Due date for furnishing annual return for FY 2018-19 has been extended up to 30 June 2020.
- 4. Due date for making tax payment under the Legacy Dispute Resolution Scheme, 2019 (Indirect tax) has been extended up to 30 June 2020, without payment of interest.
- 5. Time limit for all compliances (including issuance of notices, orders, filing of appeal, furnishing of returns, statements, applications, reports, etc.) under GST, where the existing time limit is expiring between 20 March 2020 and 29 June 2020, has been extended up to 30 June 2020.

Corporate Income Tax measures

- Income-tax (corporate and personal tax):
- 1. Last date for filing belated / revised tax returns for the financial year 2018-19 extended from 31 March, 2020 to 30 June, 2020.
- 2. Legacy Dispute Resolution Scheme, 2020 (direct tax) has been extended up to 30 June 2020.
- 3. Time limit for all compliances (including issuance of notices, intimation, notification, orders, filing of appeals, furnishing of returns, statements, applications, reports, etc.) and time limit for completion of proceedings by the tax authorities and any compliance by the taxpayer including investment in saving instruments under the Income Tax Act, Wealth Tax Act, Prohibition of Benami Property Transaction Act, Black Money Act, STT law, CTT Law, Equalization Levy law, Legacy Dispute Resolution Scheme which was to expire between 20 March 2020 to 29 June 2020 has been extended to 30th June 2020.
- 4. Rationalization of Interest/Penalty levy: advanced tax, self-assessment tax, regular tax, withholding tax, equalization levy, Securities Transaction Tax, Commodities Transaction Tax required to be paid between 20 March 2020 to 29 June 2020 extended up to 30 June 2020 with a reduced interest rate at 9% instead of 12 %/18 % per annum. Late Fee / Penalty waived off.



INDIA

Other Taxes

None

Custom Measures

1. Import/ Export and Customs clearance: Import/ export of goods, related port services and allied activities declared as 'essential services' and would be operational 24 X 7.
2. Sanitary Permits: All Sanitary Permits (SIPs) for import of SPF Shrimp Broodstock and other agriculture inputs expiring between 1 March 2020 to 15 April 2020 have been extended by 3 months.
3. Delay up to 1 month in arrival of consignments to be condoned.
4. Export: Export of sanitisers and ventilators of all sorts has been prohibited. Additionally, export of Hydroxychloroquine and its formulations has been prohibited, except in certain specified situations.
5. Rebooking of quarantine cubicles for cancelled consignments in Aquatic Quarantine Facility (AQF) Chennai without additional booking charges
6. Other compliances: Time limit for all compliances (including issuance of notices, orders, filing of appeal, furnishing of returns, statements, applications, reports etc.) under Customs Act and other allied laws where the existing time limit is expiring

between 20 March 2020 and 29 June 2020, has been extended up to 30 June 2020.

Tax Audits and Controversies

None

Other Measures

- Relaxation on filings, etc. by the Ministry of Corporate Affairs (MCA):
1. Additional filing fees waived- Moratorium from 1 April 2020 to 30 September 2020 (Moratorium Period) on levy of late/ additional fees upon filing of any returns, statements, documents, etc. by companies or LLPs on the MCA portal irrespective of the due date of such filings.
 2. Extension of interval between two board meetings: As per the Companies Act, 2013, a company is required to hold a minimum of 4 board meetings every year with a maximum time gap of 120 days between two consecutive board meetings. The Ministry of Corporate Affairs (MCA) has extended the interval limit between two consecutive board meetings to a maximum of 180 days. This one-time relaxation is available for the next two quarters i.e. up to 30 September 2020.
 3. Deferrment of Applicability of Companies (Auditor's Report) Order, 2020 (CARO 2020) - The MCA had on 25 February 2020 announced a new format of audit



INDIA

report in respect statutory audits of companies, viz., Companies (Auditor's Report) Order, 2020 (CARO 2020) replacing the earlier order under Companies (Auditor's Report) Order, 2016. CARO 2020 was made applicable for all statutory audits for the period commencing on or after 1 April 2019 corresponding to the financial year 2019-20. The MCA has deferred the applicability of CARO 2020 to financial year 2020-21.

4. Relaxation granted to Independent Directors (IDs) for convening meeting- As per the provisions of Companies Act, 2013, IDs of company are required to hold at least one meeting without the attendance of Non-Independent directors and members of management. However, if the IDs of a company have not been able to hold even one meeting during the financial year 2019-2020, the same shall not be viewed as a violation.
5. Resident Status of Director: Under Companies Act 2013, every company is required to have at least one director who has stayed in India for a period of minimum 182 days during a financial year. Due to prolonged travel ban across several countries (including India), it is possible that the 'resident' director may not be able to comply with the minimum 182 days' stay in India during the financial year 2019-20.
- Realising such difficulties, the MCA will not treat the non-fulfillment of the minimum stay as a non-compliance for the financial year 2019-20.
6. Relaxation to companies under Insolvency and Bankruptcy Code, 2016 (IBC)- In order to reduce the financial distress by companies on account of economic distress caused by COVID-19, the threshold limit of default has been raised to INR 10 million (from existing threshold of INR 100,000). This will prevent triggering of insolvency proceedings against micro, small and medium enterprises.
7. Relaxation to newly incorporated companies- Newly incorporated companies are required to file a declaration for Commencement of Business within 6 months of incorporation. Additional time of 6 more months has been allowed.
8. Deposit Provisions- Requirement of creating a Deposit Reserve of 20% of deposits maturing during the financial year 2020-21 before 30th April 2020 has been relaxed till 30th June 2020. Requirement of investing amount equivalent to 15% of debentures maturing during a particular year, in specified instruments, before 30th April 2020 has been relaxed to 30th June 2020.
- Economic rescue package of INR 1.7 trillion equivalent to USD 22.67 billion) to curb the economic hardships faced people belonging to lower section of the society.



INDIA

Reserve Bank of India (RBI) has taken the following development and regulatory steps to address the stress in the financial conditions caused by COVID-19:

1. Expanding liquidity in the system by infusing INR 1.37 trillion (equivalent to USD 18.27 billion) into the banking system.
2. Relaxing loan repayment pressures and improving access to working capital.
3. Reducing Repo rate by 75 basis points.
4. Reducing cash reserve ratio (CRR) by 100 basis points, which will unlock INR 1.37 trillion (equivalent to USD 18.27 billion) liquidity“.



Tax Tracker

Indirect Tax Measures

None

Corporate Income Tax Measures

Reduction of Corporate Income Tax ("CIT") rate:

- The CIT rate will be reduced from 25% to 22% for fiscal years 2020 and 2021 and to 20% for fiscal year 2022.
- The CIT rate for limited liability companies with at least 40% of their paid-in shares listed on the Indonesia Stock Exchange and which meet certain requirements, will be further reduced by 3% (i.e. the CIT rate will become 19% for fiscal years 2020 and 2021 and 17% for fiscal year 2022).
- As specified in Tax Office Press Release No.SP-13/2020 on April 3, 2020, a reduced amount of tax instalment due to the reduced CIT rate in subsequent year, is applicable upon the lodgment of FY2019 corporate income tax return.

Other Taxes

Individual Taxpayers Annual Reporting Deadline Extension:

- The Indonesia Tax Office will extend the deadline for the submission and payment of personal income tax return for Fiscal Year 2019 which is to be carried out by individual taxpayers up to 30 April 2020 (no administrative sanction).

- 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 Incentive for certain taxpayers:

- The Minister of Finance (MoF) has issued Regulation PMK23/2020, which will be effective from 1 April 2020 and provides tax incentives mostly to industry/manufacturing activities.
- Tax on employees' wages will be borne 100% by Government for 6 months (April to September 2020).
- There will be exemption for 6 months of tax on imports (April to September 2020).
- There will be 30% reduction on installment of corporate income tax for 6 months (April to September 2020).
- Accelerated VAT refunds are granted for period of 6 months (April to September 2020).

Customs Measures

Customs facility for certain goods:

- Government Regulation in Lieu of Law No. 1 Year 2020 (Perpu1/2020) issued on March 31, 2020 states that the Indonesian Government will change the list of goods under the prevailing Customs Law that are provided with import duty exemption or reduction. This aims to avoid any threat to the economy in the context of the COVID-19 outbreak. This will be further governed by Ministry of Finances regulations.



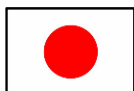
Tax Audits and Controversies

- The Tax Court Circular Letter No. SE-03/PP/2020 dated 2 April 2020 outlines deferment of tax court hearing session and lodgment of tax appeal letter and lawsuit for the period of 17 March up to 21 April 2020. The due date for direct submission of tax appeal letter is deferred for 36 days upon the due date, whilst lawsuit submission is deferred for 14 days upon the last day of the force majeure period or 14 days after 21 April 2020.
- Tax court proceedings will be conducted in accordance with health protocol on COVID-19.

Other Measures

- The Tax Authorities will waive the administrative sanctions for late reporting of the Monthly Withholding Tax Return for the February 2020 period that is carried out between 21 March 2020 up to 30 April 2020. The payment, however, still needs to be completed on time.

- Tax payers who apply legal effort in relation to second requests for reduction or waiver of administrative sanction, or second requests for reduction or cancellation of tax assessment letter or tax collection letter, for which the application submission due date ends within the period 15 March 2020 up to 30 April 2020, will be given an application submission extension up to 31 May 2020.
- Deadline for submission of tax objection letter has been extended for 6 months.
- The issuance of certain Indonesian Tax Authorities decisions (overpayment tax assessment letter, tax objection decision letter, request for reduction/elimination of administrative sanctions, request for reduction/elimination of incorrect tax assessment letter, request for cancellation of tax audit result) has been extended for 6 months maximum.
- Payment of tax refunds has been extended for one month.



Tax Tracker

Indirect Tax Measures

Tax filing due date and tax payment due date can be requested for extension when taxpayer cannot file and pay Consumption Tax (as well as Corporate Tax and other taxes) on or before the due date due to the situations caused by COVID-19 where tax payer cannot prepare financial data or tax return for such reason as:

- taxpayer or their tax advisor cannot maintain ordinary course of business due to infection to the disease, close of office or leave of employees, etc.;
- director or accounting manager of taxpayer is out of country and cannot return to Japan.

Taxpayer have to file the application for the extension within one month from the date when the situation becomes resolved. Filing of the application maybe substituted by writing down the fact that the taxpayer is applying for the extension due to COVID-19 in the blank space of tax return.

Corporate Income Tax measures

Tax filing due date and tax payment due date can be requested for extension when taxpayer cannot file and pay Corporate Tax (as well as Consumption Tax and other taxes) on or before the due date due to the situations caused by COVID-19 where tax payer cannot prepare financial data or tax return for such reasons as:

- taxpayer or their tax advisor cannot maintain ordinary course of business due to infection to the disease, close of office or leave of employees, etc.;
- director or accounting manager of taxpayer is out of country and cannot return to Japan;
- taxpayer postpone general shareholders meeting beyond 3 months after the year-end.

Taxpayers have to file the application for the extension within one month from the date when the situation becomes resolved. Filing of the application maybe substituted by writing down the fact that the taxpayer is applying for the extension due to COVID-19 in the blank space of tax return.

Other Taxes

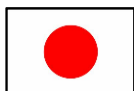
Tax return filing due date and tax payment due date of Individual Income Tax return, Consumption Tax return for individual proprietor and Gift Tax for fiscal year 2019 is postponed to April 16. The due date for filing the report of overseas assets and other applications is also postponed to April 16.

Customs Measures

Valid period of import license or export certificate can be requested for extension if the license or certificate are possible to expire. The request of extension must be made before the expiration.

Tax Audits and Controversies

None



Other Measures

- A special subsidy may be given to a company or enterprise to compensate for the expenditure required to pay payroll during temporary shut-down of stores, offices or business due to COVID-19. The subsidy may be given when the shut-down starts during the period from January 24, 2020 to July 23, 2020. The subsidy is 1/2 of the expenditure for large company or 2/3 for small company, but up to JPY8,330 per day per eligible employee.
- A special subsidy may be given to a company or enterprise to compensate for the expenditure required to pay payroll for an employee who needed to take paid-leave during March 18, 2020 to March 30, 2020. The subsidy is 100% of the cost, but up to JPY8,330 per day per eligible employee.
- Interest-free loans may be provided to small companies by the Japan Finance Corporation when their financial condition becomes worse to meet a certain criteria. Also, credit guarantee may be provided for small companies by Credit Guarantee Association when their financial condition become worse to meet a certain criteria.



Tax Tracker

Indirect Tax Measures

Submission of indirect tax return and payment of related taxes due on 31 March 2020 extended until 30 April 2020.

Corporate Income Tax Measures

Companies which closed their accounts from 31 July 2019 to 30 November 2019 will be given two-month grace period to file their 2019 income tax returns electronically.

Payment of income tax instalment due on 15 April 2020 will be given extension until 30 April 2020.

Deferment of monthly income tax instalment payment until the day the income tax return is submitted will be given automatically for:

- SMEs: 3 months deferment from April 2020 to June 2020
- Businesses related to tourism industry: 6 months deferment from April 2020 to September 2020

Submission of all types of tax estimate which are due from 18 March 2020 to 14 April 2020 extended until 30 April 2020.

Donation to the Government COVID-19 Fund will be allowed as tax deduction.

Landlords offering at least 30% rental reduction to SME tenants will be given further deduction equivalent to the amount of rental reduction for the months of April to June 2020.

Other Taxes

■ Personal tax

Individuals are given two-month grace period to file their 2019 income tax returns electronically.

Deferment of bi-monthly income tax instalment, until the day the income tax return is submitted, will be given automatically for the months of March 2020 and May 2020 to eligible SME taxpayers.

■ Withholding tax

Payment of withholding tax which is due between 18 March 2020 to 14 April 2020 can be made from 15 April 2020 until 30 April 2020 without any penalty.

■ Monthly tax deduction (MTD)

Submission of MTD data and payment of MTD / CP 38 for March 2020 remuneration will be given extension of time until 30 April 2020.

Customs Measures

Exemption from import duty and sales tax are given for face masks and personal protective equipment or consumables to be donated to the Ministry of Health.



Tax Audits and Controversies

Extension of time will be given until 30 April 2020 for matters due from 18 March 2020 to 29 April 2020:

- Submission of documents for tax audit / investigation or providing feedback.
- Submission of notice of appeal to the Special Commissioners of Income Tax.

Other Measures

- Employer Return on Remuneration (Form E)

Submission of Form E will be given two months grace period until 31 May 2020.

- Country-by-Country Reporting (CbCR)

Submission of CbCR report and CbCR notification which is due on 31 March 2020 and 30 April 2020 will be given extension of time until 15 May 2020.

- Real Property Gain Tax (RPGT)

Submission of RPGT return and payment of RPGT which are due within 18 March 2020 to 29 April 2020 will be given extension of time until 30 April 2020.

- Labuan entity

Submission of return, declaration form and payment by Labuan entity will be given extension of time until 30 April 2020.



Tax Tracker

Indirect Tax Measures

Extension of at least 30 days from the due date for the filing and payment of Value Added Tax due.

Corporate Income Tax measures

Extension of at least 30 days from the due date for the filing and payment of Annual Income Tax Return. Original Deadline to file the Annual ITR is on April 15, 2020, but the deadline has been extended up to May 15, 2020.

Other Taxes

■ Withholding Taxes:

Extension of at least 30 days from the due date for the filing and payment of withholding taxes due and submission of the alpha list of payees.

■ Documentary Stamp Taxes:

Extension of at least 30 days from the due date for the filing and payment of documentary stamp tax returns or until May 5, 2020.

■ Withholding VAT:

Extension of at least 30 days from the due date for the filing and payment of withholding VAT returns or until May 11, 2020.

Customs Measures

Goods declaration involving donations for relief consignment may be provisionally declared, provided that:

- the donee is the national government;
- the consignee is undertaking to (b.1) submit the lacking documents within 45

days from release of the shipment and (b.2) to use and distribute the goods upon clearance from the Food and Drug Administration or other regulatory agency.

All customs accreditation of BOC stakeholders, such as but not limited to importers, custom brokers, Super Green Lane importers, Customs Bonded Warehouses, Customs Facilities and Warehouses or any other third party transacting and accredited by the Bureau that will expire during the Enhances Community Quarantine shall remain valid. All stakeholders with expired accreditation during the said period will be given 1 month from the lifting of the ECQ to submit the necessary application.

The 7 day period to lodge goods declaration is suspended for the duration of the emergency. At any time during the declaration of the ECQ, lodgment and filing of goods declaration may be made within 15 days from the date of discharge of last package. The period to file goods declaration may be extended to another 15 days on valid grounds. The Order covers shipment with date of discharge of last package starting March 10, 2020.

The Order covers the interim implementation of Online Filing of Goods Declaration in all Collection Districts involving goods declaration processed at the Formal Entry Division, Informal Entry Division or equivalent units.



PHILIPPINES

Tax Audits and Controversies

A company under tax audit can submit and/or file certain documents and correspondences required by the Tax Code, (as amended, as well as in the existing revenue regulations), is given an extension of thirty (30) days from the date of the lifting of the ECQ.

- Tax Amnesty:

Application for tax amnesty on delinquencies is extended from April 23, 2020 to May 23, 2020.

- Applications for VAT refund:

A company filing for VAT refund covering the quarter ending March 31, 2018 can file and still be accepted until April 30, 2020. The 90 days period processing of VAT refund claims by the processing offices for those claims that are currently being evaluated and for those that may be received from March 16 to April 14, 2020 is suspended and the counting of the number of processing days shall resume after the lifting of the enhanced community quarantine.

- Filing of Certificate of Residence for Tax Treaty Relief:

Deadline for filing of CORTT Forms for dividends, interest and royalties paid on or before March 10, 2020 is extended until April 30, 2020 without imposition of penalties.

Other Measures

None



Tax Tracker

Indirect Tax Measures

No particular measure taken by the Government in view of Covid19.

It has not been announced as a specific measure, but the GST rate increase by 2% to 9% as announced earlier in 2018 will not take effect in 2021. The GST rate will remain unchanged at 7% for the remainder of 2020 and in 2021.

GST return filing deadline due on 30 April 2020 will automatically extend to 11 May 2020.

Corporate Income Tax measures

Companies with Corporate Income Tax payments due in April, May and June 2020 will be granted an automatic three-month deferment of these payments.

Companies with estimated chargeable income due on 30 April 2020 will automatically extend to 31 May 2020.

Other Taxes

Employees with Personal Income Tax payments due in May, June and July 2020 can opt to defer their payments by three months.

Self-employed persons with Personal Income Tax payments due in May, June and July 2020 will be granted an automatic three-month deferment.

Individual tax filing, Income tax for trusts, clubs and association deadlines due on 18 April and 15 April respectively will automatically extend to 31 May 2020.

Withholding tax deadline due on 15 April 2020 will extend to 15 May 2020.

Tax clearance for foreign employee in April will automatically granted additional 1-month extension.

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

There may not be much tax measures taken by the Government to help combat the Covid19. The Government recognizes this pandemic has contracted or contracting our economic situation to the worst since our independence. Therefore, the Government instead of providing more tax measures, it has provided the following to lower the unemployment rate, to help on-going daily survival of Singaporeans.

■ Individuals

Employees who have lost their jobs as a result of Covid19 can apply to receive a monthly cash grant of S\$800 for three months.

Eligible self-employed persons can receive S\$1,000 a month for nine months.

Enhanced care and support package for Singaporeans by providing tripled cash payout and grocery vouchers

Every Singaporean will receive S\$600 in April 2020.



SINGAPORE

■ Property tax measures

Tourism and F&B industries are heavily impacted, therefore, Government is granting a 100% property tax rebate to hotel rooms, function rooms and gyms in the hotel, shops, restaurants while 30% property tax rebate to offices to the landlords. A bill is passed on 7 April to make the landlords obliged to pass down fully the rebate to the tenants.

■ Jobs Support Scheme

In view of Covid19, the country is facing a huge retrenchment of employees during this economic contraction and the Government has implemented a set of safety measures taking effect from 7 April 2020 to 4 May 2020 which includes the closure of non-essential workplace and restricted interaction.

The Government is providing a 25% cash grant for the months of October to December 2019 and January 2020 to March 2020 subject to a monthly wage cap of S\$4,600 per employee (whom they have contributed CPF) to help businesses retain their local employees during this period of uncertainty.

The Government is providing a 75% cash grant on the first S\$4,600 of monthly salaries for every local employee (whom they have contributed CPF) in the month of April. Therefore, the wage support level will be 75% for aviation and tourism sectors, 50% for F&B sectors and 25% for all other sectors from May 2020 to June 2020.

Further support in April 2020, the Government waive of monthly foreign worker levy ("FWL") due in April 2020, FWL rebate of S\$750 in April 2020 from levies paid this year for each Work Permit or S Pass holder.

1-month rental waiver for office, industrial and agriculture tenants of Government agencies.

Government's risk share raised from 80% to 90% for Temporary Bridging Loan Programme.

Additional guidance has been included in respect for Companies / Individuals in view of the COVID-19 outbreak

- Companies:

The determination of the Tax Residence Status of a Company for the YA 2021

Permanent Establishment exposure of foreign companies due to employees remaining in Singapore due to travel restrictions.

- Individuals

Determination of employment income by Singaporeans / Singapore Permanent Residents exercising overseas employment and are now working remotely from Singapore for that employment due to COVID-19.

Non-resident foreigners exercising overseas employment who are on short-term business assignment in Singapore and are unable to leave due to COVID-19.



Tax Tracker

Indirect Tax Measures

- Reduction of VAT for small business (2020):

For 2020, only small individual business, i.e. with sales under KRW 80 million (excluding real estate, bar, etc.) are allowed to apply simplified calculation method.

- Exemption for simplified taxable persons (2020):

Only simplified taxable person – KRW 48 million annual sales (vs. KRW 30 million annual sales).

Corporate Income Tax Measures

- Reduction of income tax and corporate income tax for disaster areas (2020):

Both individual business and legal entities. Conditions: 1) SMEs (excl. real estate, bar, etc.) and 2) disaster area of the infectious disease (Daegu, Gyeongsan, Bonghwa and Cheongdo). Tax reduction: 60% for small enterprise and 30% for medium enterprise. No special rural development tax on the reduced amount

- Extension for tax filing and payment deadline (up to 9 months):

For companies if there are “exceptional circumstances”. Other cases:

- For special disaster zone: 1 month.

- Businesses in tourism, travel business, wholesale, retail, etc. with infected employees, visited by infected person, China-trading SMEs, tax payers with business disruption from factories in China. Application 3 days at least before the tax return date.

- Extension for payment deadline of local taxes up to 1 year:

In case of infection case, quarantine impact and closure. Upon approval by the local gov’t tax office.

- Rental business operators providing rent reduction to commercial stores:

Rate reduction AND no increase of rent at the end of the year. Income tax deduction of 50% of the rent decrease for the 1st semester 2020.

Increase of the limit of deduction for entertainment expenses for 2020 entertainment expenses

Other Taxes

- Double tax deduction rates for payments with personal credit/debit card:

March 1 to June 30, 2020 purchases by credit/debit card. Double deduction rates (varies depending on credit card, debit card or spending in traditional market and public transportation).

- Special consumption tax (“SCT”) reduction:

For purchasing vehicles from March 1 to June 30, 2020.



SOUTH KOREA

Reduction of SCT by 70% (with a cap of KRW 1 million).

Customs Measures

- Paperless filing, suspension of customs investigation, customs clearance even if late payment:

Companies affected by COVID-19. For delay of payment of duties at customs clearance, only applicable for Daegu areas.

Tax Audits and Controversies

For companies if there are “exceptional circumstances”: defer tax audit, early payment of refund.

Other Measures

- Employee retention subsidy:

In case of management difficulties leading to:

- Suspending/closing temporarily the business;
- Requesting employees to take leaves due to the decrease of business.

For salary allowances (70% of salaries): support up to 90% of the allowance with a maximum of 66,000 per day per person.

- Support for “youth” employment (measure available before the COVID-19 outbreak):

SMEs with more than 5 employees (also for venture companies with less than 5 employees). Up to KRW 9 million per year per additional recruitment (3 years support), up to 30 persons per companies.

- Defer payment for unemployment insurance and industrial accident insurance:

For special employment support industry: shipbuilding (existing measures), travel, tourism accommodation, tourism transportation, etc.



Tax Tracker

Indirect Tax Measures

Indirect tax return filing extensions for monthly VAT returns and monthly Specific Business Tax return (“SBT”).

- Normal filing due date of monthly VAT (P.P.30) and SBT (P.T.40) returns of March 2020 and April 2020 will be extended to 23 May 2020 (for both paper filing and e-filing);
- Normal filing due date of monthly offshore payment VAT return (P.P.36) of March 2020 and April 2020 will be extended to 15 May 2020 (for both paper filing and e-filing).

VAT exemption for donation of non-cash assets. VAT operators who electronically donate non-cash assets to the Office of the Permanent Secretary, Prime Minister’s Office to help fight the COVID-19 virus between 5 March 2020 and 5 March 2021 shall be exempt from output tax on the value of the donated assets.

Corporate Income Tax Measures

Corporate income tax return filing extensions. This extension applies to companies or legal partnerships, excluding companies that have securities listed on the Stock Exchange of Thailand before or on the last day of the filing deadline.

- PND51, Half-year corporate income tax return which must be filed during the period April to September 2020 has been extended to 30 September 2020;

- For electronic filing, if the filing deadline is between 23 September 2020 and 30 September 2020, the filing deadline can still be extended another 8 days;
- PND50 and PND55, Year-end corporate income tax return filing due dates (normal deadlines are between April 2020 to August 2020) are extended to 31 August 2020;
- For electronic filing, if the filing deadline is between 24 August 2020 and 31 August 2020, the filing deadline can still be extended another 8 days.

Deduction of 150% for interest expenses. A company that has taken out low-interest loans (soft loan scheme) can claim a tax deduction of 1.5 times the interest expense paid from 1 April 2020 to December 2020. The company must meet the following conditions.

- It must have taxable income of not more than THB 500 million from its business in the last 12-month accounting period, where the last day of the accounting period ended on or before 30 September 2019;
- It must have not over 200 employees;
- It was registered for the tax amnesty program introduced by the Revenue Department in the beginning of 2016.



Thailand

Corporate Income Tax Measures

Deduction of 300% for wage expenses. The company must meet the following conditions.

- Taxable income not more than THB 500 million from its business in the last 12-month accounting period, where the last day of the accounting period ended on or before 30 September 2019;
- Not more than 200 employees;
- Employees insured with the Social Security Fund;
- Eligible wages for the tax incentive are those employees that earn not more than THB 15,000 per month;
- Number of insured employees earning not more than THB 15,000 per month during the eligible period must not be lower than the number of the same employees working on the last date of December 2019.

Companies and partnerships that donate electronically to the Office of the Permanent Secretary, Prime Minister's Office, to help fight the COVID-19 virus between 5 March 2020 and 5 March 2021 can deduct the expenses for such a donation:

- not exceeding 2% of net income for companies or partnerships.

Withholding Tax

Reduction in withholding tax rates on certain types of payments (such as those for the hire of work, services, commissions, and professional fees)

- 1 April 2020 – 30 September 2020, withholding tax rate (on certain types of payments) will reduce from 3% to 1.5%;
- 1 October 2020 – 31 December 2021, withholding tax rate will reduce from 3% to 2% (for e-withholding only);
- Those who will receive the benefits from this tax measure include individuals, companies, and legal partnerships;
- Withholding tax rates for other things, such as transportation, rental, dividends, and interest, will *not* be reduced.

Withholding tax return filing extensions (PND.1, 2, 3, 53 and 54)

- Normal filing due date of withholding tax return of March 2020 and April 2020 will be extended to 15 May 2020 (for both paper filing and e-filing).



Thailand

Other Taxes

Annual personal income tax return filing extensions (PND.90 and 91) for annual personal income tax of 2019 (January 2019 to December 2019).

- Normal filing due date of annual personal income tax returns of 2019 (31 March 2020) extended to 31 August 2020 (for both paper filing and e-filing).

Individuals donating electronically to the Office of the Permanent Secretary, Prime Minister's Office, to help fight the COVID-19 virus between 5 March 2020 and 5 March 2021 can deduct the expenses for such a donation:

- not exceeding 10% of net income for an individual.

Increasing tax deduction on insurance expenses.

- The maximum personal income tax allowance on the health insurance premiums has been increased from THB 15,000 to THB 25,000. When included together with life insurance premiums, the total of both premiums must not exceed THB 100,000 per year;
- Applicable from tax year 2020 onwards.

Investment in Super Saving Fund

- Individuals investing in a Super Saving Fund (SSF) can deduct the actual investment amount, capped at THB 200,000, as an allowance from personal income tax;

- The Super Saving Fund must invest not less than 65% of its asset value in securities listed on the Stock Exchange of Thailand, during the period from 1 April to 30 June 2020;
- This allowance will be in addition to the SSF allowance threshold (30% of the total income, capped at THB 200,000) and will not be included in the retirement saving fund threshold of THB 500,000.

Stamp duty return filing extensions

- Form OS.4, OS.4 Gor and OS.4 Khor which must be filed during 1 April 2020 and 15 May 2020 has been extended to 15 May 2020

Customs Measures

Exemption of import duty

- Exemption of import duty for goods used for preventing and curing COVID-19. The exemption shall be effective from 26 March 2020 up to 30 September 2020;
- Extension of the timeline for 6 months for re-export of temporary import of goods for personal uses, exhibitions, repairing, samples, and equipment for research and development;
- Extension of the storage timeline for further year for goods stored in Customs free zones, bonded warehouse and IEAT free zones.



Thailand

Tax Audits and Controversies

A “Good Exporter” as defined in Departmental Regulation Tor. 490/2562 which has capital of over THB 10 million will receive a VAT refund quicker than normal, as follows:

- Within 15 days if filing electronically (compared to the usual 30-day period);
- Within 45 days if filing on paper (compared to the usual 60-day period).

Other Measures

Board of Investment (“BOI”) with regards to tax incentives.

- For a company with accounting period ended 31 December 2019, the BOI has announced that the deadline to submit the application for tax privileges and benefits has been extended from 30 April 2020 to 31 July 2020 or at least 30 days before filing the corporate income tax return.

Social Security Fund

- A reduction in Social Security Fund contributions from 5% to 1% for employees and from 5% to 4% for employers from March to May 2020;
- The deadlines for paying monthly contributions for March, April, and May are deferred for three months. Therefore, the contributions for March must be paid no later than 15 July 2020;

- Employees who have been made redundant because their employer has ceased operations due to the COVID-19 pandemic will receive 62% of their wage, capped at THB 15,000 per month, for a maximum of 90 days;
- Employees that have had their employment suspended because of a temporary business closure as a result of a government order will receive 62% of their wage, capped at THB 15,000 per month, for not more than 90 days;
- The 3rd and 4th bullet points only apply to employees who have made Social Security Fund contributions in at least 6 of the previous 15 months.



Tax Tracker

Indirect Tax Measures

The Ministry of Finance proposed a draft Decree on extending the deadline of tax and land rental fee payment. The draft Decree is applicable for enterprises, individuals and business households operating in the following sectors:

- Agriculture and related services; forestry and related services; aquaculture;
- Food production and processing; textile; garment production; footwear production; production of goods made from rubber; production of electronic device, computer and optical products; automobiles manufacturing (except for cars with 9 seats or less);
- Railway transportation; passenger transportation by buses; other land transportation; water transportation; air transportation; warehousing and support activities for transportation;
- Accommodation and catering services;
- Travel agency, tour operator and support services related to advertising and organising tours;
- Education and training; health services and social support services;
- Art, entertainment and recreation; sport activities; botanical and zoological gardens and nature reserves activities; activities of

amusement parks and theme parks; motion picture projection activities;

- Small and micro enterprises.

Per the draft Decree:

The deadline for settling Value Added Tax ("VAT") obligation for the period from March to June 2020 or Quarter I and II/2020 shall be extended to 05 months from the statutory deadline; and

The deadline for settling VAT (and Personal Income Tax ("PIT")) obligations of individuals or household businesses for 2019 shall be 15 December 2020.

Other than that, the draft Decree also allowed some extension for settling Corporate Income Tax ("CIT") and land rental fee (to be specified below sections).

Of note, registration/notification may be required.

Corporate Income Tax Measures

Per the draft Decree as mentioned in Section of Indirect Tax's measures, the deadline for settling Corporate Income Tax ("CIT") obligation for fiscal year 2019 and provisional CIT of quarter I and II/2020 shall be extended to 05 months from the statutory deadline.

Other Taxes

Per the draft Decree as mentioned in Section of Indirect Tax's measures:

The deadline for settling land rental fee obligation shall be extended for 05 months and not exceeding 31 October 2020 for the qualified enterprises.



VIETNAM

The Ministry of Finance is also proposing an increase in family relief for PIT calculation, which would reduce taxable income and the tax burden for the individuals

Customs Measures

All the scheduled customs audits in 2020 are suspended for the enterprises which are not suspected of violations.

Tax Audits and Controversies

All the scheduled tax audits in 2020 are suspended for the enterprises which are not suspected of violations.

Other Measures

Extension of deadline for making contribution of compulsory Social Insurance (particularly the part for pension and survivorship fund, including 14% contributed by employer and 8% contributed by employee) and Trade Union Fee (2% salary borne by employer) until 30 June 2020, which can also be extended until 31 December 2020 if the situation is not improved, applicable for the affected enterprises.

Basically, affected enterprises are those operating in some particular sectors (such as transportation, tourism, hotel, restaurant, etc.), being seriously damaged by COVID-19 epidemic and having to cut down from 50% headcount or bearing damage of more than 50% total asset value.



AFRICA AND MIDDLE EAST

COVID-19 Tax Subsidies

		Indirect Tax measures	Corporate Income Tax measures	Other Taxes	Customs measures	Tax Audits and controversies	Other measures (macroeconomic, legal, labour, etc.)
	Algeria	✗	✓	✗	✗	✗	✓
	Botswana	✓	✓	✓	n/a	n/a	✓
	Cameroon	✗	✗	✗	✗	✗	✗
	Congo	✗	✗	✗	✗	✗	✗
	Djibouti	✗	✗	✗	✗	✗	✓
	Egypt	✗	✗	✓	✗	✗	✓
	Israel	✓	✓	✓	✗	✗	✓
	Ivory Coast	✓	✓	✓	✓	✓	✓
	Kenya	✓	✓	✗	✗	✓	✓
	Madagascar	✗	✓	✓	✗	✓	✓
	Malawi	✓	✓	✓	✓	✓	✓
	Mauritius	✓	✓	✗	✗	✗	✓
	Morocco	✗	✓	✗	✓	✓	✓
	Mozambique	✗	✗	✗	✗	✗	✓
	Nigeria	✓	✓	✓	✓	✓	✓
	Senegal	✓	✓	✓	✗	✓	✓
	South Africa	✓	✓	✓	✗	✗	✓
	Tanzania	✗	✗	✗	✗	✗	✗
	Tunisia	✓	✓	✓	✓	✓	✓
	UAE	✓	✗	✗	✓	✗	✓

n/a Not available ✓ Implemented ✗ None

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Tax Tracker

Indirect Tax Measures

None

Corporate Income Tax Measures

- Renewal of the deferment of payment of the first IRG/IBS instalment:

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

- Suspension of the of non-affected benefits:

The taxation of unallocated profits for the financial years 2016 and following, provided for in the provisions of Article 15 of the Finance Act for 2020, is suspended.

▪ Other Taxes

None

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

- Payment Schedules:
 - Taxpayers experiencing economic difficulties may request a payment schedule for their tax debts.
 - Likewise, those who already have a payment plan may request a reorganization of their payment plan in case of cash flow difficulties.

- Extension of the deadline for filing of declarations and the payment of duties and taxes;
- Taxpayers under the real estate regime:
 - Postponement of filing deadline for the monthly declaration series G n° 50 of February and of the payment of the duties and taxes relating thereto until April 20, 2020.
 - Deferral of payment of tax instalments IRG / IBS until April 20, 2020.
 - Taxpayers subject to the obligation of tele-declaration and tele-payment are not concerned by these measures.
 - Taxpayers exercising liberal professions: Postponement of the subscription of the monthly declaration series G n° 50 of February (concerning IRG/salaries), until 20 April 2020.



Tax Tracker

Indirect Tax Measures

VAT refund period will be reduced from 60 days to 21 days. Nothing was said about the VAT Payable this month, implying that it remains payable by the due date.

Tax Concession

Incentives are valued at a total of BWP1 Billion

BURS shall allow a deferral of up to 75% of quarterly tax payments between March and September 2020 with these to be paid by March 2021. This implies that this may be limited to the Self-Assessment Tax only.

Government Loan Guarantee Scheme

The facility shall be capitalized up to BWP1 Billion. The guarantee shall be between Government, Private Sector and Commercial Banks. 80% bond shall be provided by Government, and 20% by Commercial Banks. This shall be administered by BECI. Businesses will be required to be tax compliant. Guarantee cover shall be subject to a limit of 24 months and subject to a maximum loan size of BWP25 Million per borrower.

Wage Subsidy to employers

The wage subsidy to employers is aimed at helping to save citizen jobs. The modalities of how the process shall be working are being developed. Companies shall apply for the subsidies (not individuals), demonstrating in their applications how they have been affected by COVID 19.

In terms of the subsidy, employees will receive 50% of their Basic Salary for affected businesses and the amount of subsidy per employee shall range from BWP1, 000 to BWP2, 500 for 3 months, with a possibility of extension

The Scheme shall be administered by BURS, and applications shall be considered irrespective of the tax compliance status of the companies applying.



CAMEROON

Tax Tracker

The Cameroonian government has not yet enacted any fiscal measures to deal with the COVID19 crisis. However, on 31 March 2020, the Inter Patronal Groupings of Cameroon (GICAM) proposed 6 tax measures to the government to respond to the health and economic crisis.

Indirect Tax Measures

None

Corporate Income Tax Measures

- Postponement of the payment of corporate tax (*IS*) advance payments

Other Taxes

- Postponement of the payment of personal income tax (*IRPP*) on salaries ;
- The deferral of payment of contributions to the *Crédit Foncier* and the National Employment Fund;

The deferral of payment of *CNPS* contributions for companies unable to pay salaries to their employees, with, however, the maintenance of *CNPS* coverage for the employees concerned.

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

- Postponement, without penalties, of the deadlines for statistical and tax returns;
- The relaxation of the conditions for issuing debt clearance certificate (*attestation de non-redevance*).



REPUBLIC OF CONGO

Tax Tracker

Indirect Tax Measures

None

Corporate Income Tax measures

None

Other Taxes

None

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

None



DJIBOUTI

Tax Tracker

Indirect Tax Measures

None

Corporate Income Tax Measures

None

Other Taxes

None

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

The President of the Republic of Djibouti, established by Decree No. 2020-68/PR/2020 dated 7 April 2020, an "Emergency and Solidarity Fund COVID-19. »

This fund will be used to meet the multifaceted needs, particularly for patient care and the purchase of health equipment required for efficient control of the coronavirus in Djibouti.

It will also serve as a national financial solidarity body for the benefit of the most vulnerable population groups and those working in the private sector.



EGYPT

Tax Tracker

Indirect Tax Measures

None

Corporate Income Tax measures

None

Other Taxes

Postpone tax returns for individuals from March 31st till April 16th.

Customs Measures

None

Tax Audits and Controversies

New regulation in Egypt issued to reduce number of government employees and cancelling face to-face meetings with the tax people.

Other Measures

Due to reducing working hours in banks in Egypt, the Tax Authority will accept any payment for taxes either by checks or cash, and without applying any penalties on the payment (since all payments for governments were done through bank transfer starting January 2020 any payment in checks or cash were subject to penalties).



ISRAEL

Tax Tracker

Indirect Tax Measures

The Israeli Tax Authority (ITA) has extended filing deadlines as follows:

- VAT reporting and payments: Those reporting monthly should now do so by 26th March and those reporting bi monthly by 27th April.

Refund processing accelerated

- Tax and VAT refund processing accelerated and 1Bn Shekel being refunded over the next two weeks.

Corporate Income Tax Measures

The Israeli Tax Authority (ITA) has extended filing deadlines as follows:

- The 2018 tax return that could be submitted until March 31, 2020 can now be submitted through to April 30, 2020.
- Withholding tax certificates which would normally expire on March 31, 2020 will now remain valid until April 30, 2020.
- The 2019 filing deadlines for tax returns delayed as follows:
 - Companies and non-profit organizations tax returns extended to July 31, 2020.
 - Accounting software approval certificates expiring between March and June automatically extended by 4 months from the current expiry date
 - ITA allowing early on line filing of 2019 tax returns by representatives for both companies and individuals

Other Taxes

Self Employed

- Grants are to be provided to the self-employed. Currently those whose taxable income did not exceed NIS 150,000 in 2018 can qualify. The grant is half the average monthly income for that year up to a maximum NIS 6,000.

The 2019 filing deadlines for tax returns have been extended as follows

- Individual tax returns are extended until June 30, 2020.
- Adjusted tax certificates for individual tax payers for 2019 are now applicable through to May 2020 where actual salary payments must be no later than June 13, 2020.

Social and Health Insurance

- The Israeli National Insurance Institute has announced that Social Security and Health Insurance payments are to be delayed. All activity relating to enforcement has been suspended.

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

- Payment of public debt, especially to companies affected by the crisis with priority to invoices under 100 million XOF in the aim to reach as many companies as possible, most particularly the Small and Medium Enterprises.



ISRAEL

Other Measures

Government Backed and Guaranteed Loans to Small & Medium Sized Businesses

- For companies with up to NIS 100M annual income, that can show that their cash flow and working capital needs have been affected by the outbreak of the virus. Loans are available up to the higher of NIS 500,000 or 8% of annual turnover, with favourable terms including 5-year loans, six months interest only period, low interest rates, reduced 10% security deposit and an up to 85% government guarantee. Requests should have a 9 day turnaround.

Unemployment Benefit for employees on unpaid leave as a result of COVID-19

- Employees placed on involuntary unpaid leave for a period of 30 days or more, or employees whose employment has ceased involuntarily as a result of COVID-19 can claim unemployment benefit. Those on unpaid leave can claim the benefit from the first day of their unpaid leave.
- Employees should have worked in 6 out of the last 18 months to qualify.
- Salaried employees whose employer is not Israeli may qualify for unemployment benefit if they make their own National Insurance contributions.

Israel Innovation Authority

- The IIA will grant Israeli companies an initial amount of NIS 50 million for R&D, and demos of systems, products or technological solutions to alleviate COVID-19 challenges.
- Financial support will cover 50% to 75% of program expenditure.
- The IIA is relaxing reporting rules with respect to recognition of work performed by employees from home (rather than at company offices); as well as regarding signatures on attendance reports and other official documents; and requests for changes and extensions to development periods.



Tax Tracker

Indirect Tax Measures

- Reimbursement of VAT credits within two (2) weeks thanks to reduction in a priori controls and strengthening of a posteriori controls.

Corporate Income Tax Measures

- Postponement of payment for three months of taxes on capital income for companies operating in tourism and hostels sectors and which struggling with economic difficulties.

Other Taxes

- Postponement of payment for three months of :
 - Flat-rate taxes for small traders and craftsmen (particularly in restaurants, nightclubs, pubs, cinemas and places of entertainment)
 - Taxes, duties as well as social contributions in case of cash flow difficulties encountered by companies
- Reduction of 25% of Transport Business license.

Customs Measures

- Exemption from import duties and taxes of health equipment, materials and other health inputs related to the health crisis.

Tax Audits and Controversies

- Suspension of tax audits procedures for a period of three months.

Other Measures

- Payment of public debt, especially to companies affected by the crisis with priority to invoices under 100 million XOF in the aim to reach as many companies as possible, most particularly 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.
- Penalty waiver for delays in the execution of public contracts and orders with the State and its branches during the crisis period.



Tax Tracker

Indirect Tax Measures

- **Turnover Tax**

The rate for turnover tax has been reduced from 3% to 1%. TOT is a hybrid tax (combining both CIT and VAT obligations) and is paid by unincorporated businesses that fall below the VAT threshold of taxable sales exceeding KES 5 million per annum (EUR 50,000).

- **VAT**

The VAT rate will be reduced from the current of 16% to the rate of 14%. This is effective from 1 April, 2020. The treasury will further release pending but approved VAT refund claims amounting to KES 10 billion shillings.

Corporate Income Tax measures

- **Income Tax**

The top tax rate for PAYE will be reduced from 30% to 25%. PAYE is charged on employment income on a graduated scale from 10% to 30%. Individuals earning up to KES 24,000 will be exempt from PAYE. The corporate tax rate will be reduced from 30% to 25%.

Other Taxes

None

Customs Measures

None

Tax Audits and Controversies

Though not formally announced, the KRA has postponed all field review audits that were scheduled.

Tax payers are encouraged to embrace technological including cloud computing to ensure audits can take place without physical interaction.

Other Measures

The president announced other non-tax measures to stimulate the economy, improve cash flow and provide relief to Kenyans as outlined below:

- Ministries and government entities were directed to ensure that they release pending payments amounting to no less than KES 13 billion within the next 3 weeks. This will be a welcome measure for suppliers whose cash flow has been compromised by delayed payments from the government and government related entities.
- Voluntary wage reduction for senior government workers.
- Suspension of listing from the CRB for borrowers whose loans fall in arrears from 1 April 2020.
- Appropriation of KES 1 billion to go towards the recruitment of additional health workers.
- Appropriation of KES 10 billion to be disbursed to the elderly, the orphans and other vulnerable members of society.
- The Central Bank took further measures to lower the central bank rate from 8.25% to 7.25% as well as lowering the cash reserve ratio to 4.25% from 5.25%. These measures should increase liquidity as well as allowing banks the leeway to reduce the interest rates on loans.



Tax Tracker

Indirect Tax Measures

None

Corporate Income Tax measures

- Postponement of income tax returns for companies in the tourism sector (hotels, travel agencies, air transport) and for free industrial companies to June 30, 2020 (instead of May 15, 2020).
- Suspension of the payment of the income tax installment for the same companies.
- Deductibility from the tax result of additional social expenditure incurred in the fight against coronavirus

Other Taxes

Postponement of synthetic tax reporting deadline to May 15, 2020 (instead of March 31, 2020).

Customs Measures

None

Tax Audits and Controversies

Temporary suspension until May 31, 2020 of tax inspections and notices to third party holders.

Other Measures

- CNaPS et OSTIE : Extension of the deadline for payment of social security charges first quarter 2020 until July 31, 2020 without penalty
- JIRAMA : Extension of the deadline for payment of water and electricity bills

▪ Bank :

For individual employees and professionals of companies in difficulty and subject to technical unemployment measures:

- deferred repayments of up to 3 months on the repayment of loans repayable in principal and interest
- and/or punctual overdrafts if necessary

For companies and individual enterprises directly affected by the cessation or slowdown of their activities:

- deferred repayments of principal and/or interest and principal on current medium-term loans (up to 3 to 6 months depending on the case)
- and/or working capital support lines



Tax Tracker

Indirect Tax Measures

- Value Added Tax

The Malawi Revenue Authority to open up a voluntary tax compliance window for a period of six months to allow tax payers with arrears to settle their tax obligations in instalments without penalties.

Corporate Income Tax measures

Voluntary tax compliance window for six months as above

Waiver of Resident tax on all foreign doctors and medical personnel

Other Taxes

- Payroll and Withholding taxes

Voluntary tax compliance window for six months as above

Customs Measures

- Tax waivers to apply on importation of essential goods for COVID 19 management including but not limited to personal protective equipment, hand sanitisers, soaps and water treatment chemicals.
- Voluntary tax compliance window for six months as above

Tax Audits and Controversies

- Six months voluntary tax compliance window as above

Other Measures

The Reserve Bank of Malawi shall:

- Implement an arrangement with Commercial Banks and Micro Finance Institutions to observe a three month moratorium on interest and principal repayments for all loans contracted by Micro, Small and Medium enterprises
- Cushion the foreign exchange market to ensure availability of forex and stability of the foreign exchange rates
- Activate an emergency liquidity Assistance framework to support banks in the event of worsening liquidity conditions

Other measures include the following:

- Reduction of fuel prices to limit transportation costs
- Reduction of salaries of the President and Cabinet Ministers and direct the funds towards the fight of COVID 19
- Waive non tourism levy to support the tourism industry
- Increase loan allocation for micro small and medium scale businesses that have been seriously affected by the pandemic
- Reduce fees and charges for all electronic money transactions to promote use of electronic money transactions
- Increase risk allowances for health workers



Tax Tracker

Indirect Tax Measures

VAT has been amended from 15% to 0% on the under-mentioned products:

- Protective masks against dust, odors and the like (HS code 6307.90.30)
- Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters (HS code 9020.00.00)
- Hand sanitizer (HS code 38.94.00)

This measure takes effect from 24th March 2020.

Corporate Income Tax measures

Taxpayers have been offered tax payment and submission delays to the lockdown (currently extended till 15 April 2020) and will not be charged any penalty or interest for late submission/payment.

Other Taxes

None

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

- Wage Assistance Scheme

The GOM has announced the Wage Assistance Scheme (GWAS) to ensure that all employees in the private sector are duly paid their salary for

the month of March 2020. GWAS concerns both Mauritians and foreign employees working in Mauritius.

Under GWAS, a business entity in the private sector is entitled to receive in respect to its wage bill for the month of March and April 2020, an amount equivalent to 15 days' basic wage bill for all of its employees drawing a monthly basic wage of up to Rs 50,000 subject to a cap of Rs 12,500 of assistance per employee as set out below:

- For every employee with basic salary in March 2020 from Rs 9,700 to Rs 25,000: assistance from Rs 4,850 to Rs 12,500 on a 15 days wages basis
- For every employee with basic salary in March 2020 from Rs 25,000 to Rs 50,000: fixed amount of Rs 12,500
- Above Rs 50,000: None

Exceptionally, where companies facing financial difficulties as a direct result of the Covid-19 and are unable to effect payment of salary for the current month due to cash flow problem, the MRA will provide assistance so that the salaries may be paid in a timely manner.

- Foreign Exchange
 - Special Foreign Currency (USD) Line of Credit

The Bank of Mauritius ("BOM") is introducing a Special Foreign Currency (USD) Line of Credit targeting operators having foreign currency earnings, including SMEs.



MAURITIUS

This line of credit shall be for an amount of USD300 million. Funds will be made available to commercial banks at 6-month USD Libor for this facility.

This line of credit will be available from the 24th of March 2020 until the 30th of June 2020 and repayment will be over a period of 2 years from the effective date of disbursement.

- Swap Arrangement

The BOM is introducing a USD/MUR swap arrangement with commercial banks for an initial amount of USD100 million. This arrangement will be effective as from the 24th of March 2020 until the 30th of June 2020.

- Enterprise Support Scheme

The State Investment Corporation Limited ("SIC") in collaboration with Investment Support Program Limited ("ISP"), SME Equity Fund Ltd ("SEF") and Development Bank of Mauritius Ltd ("DBM") have set up the COVID-19 'Plan de Soutien' Cell. The Cell will provide support measures to eligible enterprises.

- Assistance Scheme to the Informal Sector
 - Self-Employed Individuals

Eligible Self-Employed individuals will receive a financial support of Rs 5,100 for the period 16th March 2020 to 15th April 2020. Self-employed individuals who are either in business or are casual workers whose total monthly household income does not exceed Rs 50,000 are also eligible under the Scheme.

- Micro, Small and Medium Enterprises (MSMEs -Turnover up to Rs 50 million)

In addition to the moratorium of 6 months on capital repayments, eligible Enterprises will also benefit from a moratorium of 6 months on interest payments in respect of their existing and new loans with Commercial Banks.

- DBM Support (Turnover up to Rs 10 million)

Micro and Small Enterprises can apply for loan facilities through Commercial Banks or to the DBM. DBM will disburse an amount not exceeding Rs 1 Million to an eligible applicant.

- Relief to Lessees for Rental of Buildings

DBM is waiving rental payments from its lessees of DBM Industrial Estates during the curfew period. Lessees renting private owned buildings are eligible to apply for loan facilities to cover rental costs from DBM (Revolving Credit Fund, Micro and Small Enterprises. Interest will not be payable if loan is repaid within 9 months) and Commercial Banks (under the Bank of Mauritius Special Relief Amount, other Enterprises).

- Filing and reporting obligation - Financial Services Commission ("FSC")

FSC shall extend the deadline for filing and reporting obligations, which were due by end of March 2020, to 30 June 2020. No administrative penalties will be chargeable provided the deadline of 30 June 2020 is respected.



MAURITIUS

Prime Minister of Mauritius has announced that to support the needy in this dire situation, some 65 000 vulnerable households will benefit from a 20% reduction on their electricity bills while small enterprises whose electricity consumption do not exceed 125 kilowatts will receive a reduction of 10%.

A home to home payment system of pension to some 58 000 beneficiaries, comprising the elderly, people with disabilities and the vulnerable, is being implemented since yesterday so as to contain the risk of transmission.

The Mauritius Research and Innovation Council (MRIC) is launching a Special Call for proposals for fast-track innovative projects to counter the impacts of Covid-19. Projects that can be funded under this Special Call are encouraged to leverage on existing infrastructure, capabilities and networks with local partners.

Support under this Special Call is being targeted on two fronts namely: Technology-based products and services; and Social and policy measures, for which the maximum amount per grant is Rs 2 million and Rs 1 million over three to nine months respectively. The Special Call for Proposals is open to citizens from Mauritius, Rodrigues and the outer islands within the Mauritian territory.

Tax Tracker

Indirect Tax Measures

None

Corporate Income Tax measures

Allow companies with revenues less than 1.9 million euros to defer their income tax returns and the taxes payment from the 31 of March till June 2020.

Other Taxes

None

Customs Measures

- Request from the Association of vehicles importations (AIVAM) to reduce their importations to the strict minimum.
- Licensing of exports of surgical masks, antiseptic preparations and protective masks.
- Possible restrictions on the export from Morocco of medical devices.

Tax Audits and Controversies

Suspension of Third Party Notices and Controls until further notice.

Other Measures

- For employees:
 - Suspension of the social charges payment (CNSS contributions) until June 30, 2020.
 - Establishment of a moratorium on the reimbursement of bank loans in favor of companies.
 - Employment loss compensation of 189 euros net per month.

- Family and AMO allowances for employees who have lost their jobs and bank deferral (on request) of consumer credit or real estate loans deadlines due in March, April, May and June.

▪ Social measures:

- Possibility of deferring the repayment of bank loans over 3 months or 6 months for individuals.
- Activation of an aid mechanism for workers operating in the informal sector.

▪ For VSEs, SMEs and professional activities:

- Possibility of deferring bank credits and leasing deadlines until the end of June 2020.
- Possibility for companies with cash flow difficulties to apply for an additional line of credit guaranteed by the Caisse Centrale de Gestion.
- Suspension of the social security contributions payment.

▪ Macroeconomic measures:

- Bank Al-Maghrib's policy rate cut by 25 basis points to 2%.
- Creation of more than 2.45 billion euros solidarity fund .



MOZAMBIQUE

Tax Tracker

Indirect Tax Measures

None

Corporate Income Tax measures

None

Other Taxes

None

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

- Central bank
 - Introduce a foreign currency financing line for institutions participating in the Interbank Foreign Exchange Market, in the total amount of US\$500 million, for a period of nine months
 - Reduction of fees on transactions in electronic currencies
 - Reduction of fees in electronic currency transactions and commercial banks
 - Reduction of fees on the use of digital media in commercial bank transactions
 - Credit institutions are exempted from providing specific provisions for foreign currency credits
- Institute National of Social Security
 - Forgiveness of interest and fines resulting from the debt of contributions to compulsory social security, as a way to allow companies to pay and workers and their families to enjoy the benefits of the system.



Tax Tracker

Indirect Tax Measures

- Extension of timeline for filing Value Added Tax from 21st day to the last working day of the month following the month of deduction.

Corporate Income Tax measures

- Extension of timeline for filing Companies Income Tax Returns by one month.
- E-filing platform / e-mail addresses created to enable submission of returns at various tax offices.
- Creation of avenues to file returns without audited financial statements provided that the relevant audited accounts are submitted within two months of the revised date of filing.
- Extension of timeline for filing Withholding tax from 21st day to the last working day of the month following the month of deduction.
- Granting tax reliefs to corporate entities and Individuals that have contributed to the federal government's COVID-19 pandemic

Other Taxes

- Refund of 50% of the income tax paid on employees' salaries during the period provided there is no retrenchment of staff from March 1 till December 31, 2020.
- Filing of Annual returns for individuals, including self-employed persons now extended till 31st May 2020 from 31st March 2020.

- All payments of mortgage obligations on residential mortgages obtained by individual contributors to the National Housing Fund are deferred for a period of 180 days effective from 1st March 2020.

Customs Measures

- Waiver of import duty will be granted on the importation of medical equipment, medicines, personal protection equipment and other such medical necessities required for the treatment and management of the Covid-19 disease in Nigeria from 1 March 2020 till 31 December 2020.

Tax Audits and Controversies

- The Federal Inland Revenue Service intends to publish on its website, information requests for desk reviews and tax audits, and create a portal where such information can be uploaded to the database for online access review.

Other Measures

- Reduction of interest rates by Banks on intervention facilities from 9% to 5% retroactively to March 1 2020 which shall revert to 9% p.a (all inclusive) as from 1st March 2021.
- Nigerian Stock Exchange granted listed companies a 60-day grace period for the submission of their audited financial statements for the year ended 31 December 2019.



NIGERIA

- The National Insurance Commission (NAICOM) gave 1 month extension for submission of 2020 first quarter returns by insurance firms.
- Additional moratorium of 1 year on Central Bank of Nigeria intervention facilities
- The Central Bank of Nigeria has created a target credit facility of N50 billion for affected households and small and medium enterprises
- The Central Bank of Nigeria has granted 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
- The Central Bank of Nigeria has initiated an 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 by the Central Bank of Nigeria to support the procurement of raw materials and equipment required to boost local drug production
- Creation of N1 trillion in loans by the Central Bank of Nigeria to boost local manufacturing and production across critical sectors
- Reduction of petrol pump price from N145 to N125/liter by the Federal Government
- The National Information Technology Development Agency has extended the deadline of the submission of 2019 annual data protection audit report to 15 May 2020.
- Establishment of a N500 billion COVID-19 crisis intervention fund to upgrade healthcare facilities & finance Special Public Works Program.
- Provision of N102.5 billion in resources by the Federal Government for direct intervention in the health sector.
- Approval of US\$150 million to be withdrawn from the Nigeria Sovereign Investment Authority ('NSIA') Stabilization Fund to support the June 2020 Federation Account Allocation Committee disbursement.



Tax Tracker

Indirect Tax Measures

None

Corporate Income Tax measures

None

Other Taxes

None

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

- Financial assistance measures such as redevelopment of bank loans granted have been taken and announce by Central Bank to make loan easy and lend at lowest rate but no information were communicated on the impact of these measures on taxation by tax administration
- Under general measures that Ministers in charge of Finance and the Economy will have to implement, there is a partial rebate of the tax debt recorded on December 31st, 2019 due by businesses and individuals which will be granted, for a total amount of 200 billion.
- Tax administration department in charge of large companies has put in place a mechanism to carry out certain procedures in a dematerialized manner.

- Thus, applications for tax certificate, certificate of domicile, certificate of withholding tax (royalties) can now be requested.

Tax Tracker

Indirect Tax Measures

- Reimbursement of VAT credits within a shortened period of time to provide a cash flow
- Extension of the deadline for payment of the suspended VAT from 12 to 24 months

Corporate Income Tax Measures

- Deferred payment of taxes until 15 July 2020 under two conditions:
 - SMEs with a turnover of up to 100 million euros or less
 - Companies operating in the sectors most affected by the pandemic, including tourism, catering, hotels, transport, education, culture and the press.
- Partial write off of the tax debt of individuals and legal entities recorded at December 31, 2019 for a total amount of 200 billion.

Other Taxes

- Tax remissions and suspensions. This is a cash-flow facility relating to deductions made from the salaries and social security contributions that private sector companies pay to the IPRES and social security.
- Deferred payment of taxes until 15 July 2020 under two conditions:
 - SMEs with a turnover of up to 100 million euros or less

- Companies operating in the sectors most affected by the pandemic, including tourism, catering, hotels, transport, education, culture and the press.

- Tax remissions and suspensions. This is a cash-flow facility relating to deductions made from the salaries and social security contributions that private sector companies pay to the IPRES and social security.

Customs Measures

- None

Tax Audits and Controversies

- Suspension of the collection of the tax and customs debt of the companies most affected by COVID19. Two conditions to benefit from the measure:
 - Maintenance of employees' salaries;
 - Payment of more than 70 percent of salary.

Other Measures

- Deductibility of aid granted to the COVID19 Force Account as an expense for the year ended December 31, 2020



Tax Tracker

Indirect Tax Measures

- Relief for exporters and certain imports - The Export Regulations

SARS has issued Binding General Ruling 52 ('BGR 52') on the 26th of March 2020 to extend the timeframe for an indirect or direct export to be exported from South Africa and for a qualifying purchaser to apply for a refund from the VAT Refund Administrator.

Where the original timeframe for the exportation of the movable good has not yet been exceeded at 26 March 2020, BGR 52 provides that the timeframe for a direct and indirect export to be exported is extended by three months. As the date by which the moveable good is required to be exported has been extended this will result in the date by which the supporting documentation is required to be obtained also being extended by three months.

Where a qualifying purchaser has exported moveable goods in terms of an indirect export, met all stipulated requirements and is entitled to a refund of VAT from the VAT Refund Administrator, the timeframe for application of the refund has been extended by six months.

SARS has also provided relief in the form of an exemption on the VAT on importation of "essential goods", defined in Annexure B (as amended) of R.398 in Government Gazette No. 43148 issued on the 25th of March 2020.

Corporate Income Tax measures

- Deferral of provisional tax payments
 - Aim of relief

Allowing for a deferred payment of provisional liabilities should assist businesses by providing additional cash flow during the COVID-19 crisis.

- The relief:

The deferral of payment of a portion of the first and second provisional tax liability to SARS, without SARS imposing administrative penalties and interest for the late payment of the deferred amount.

- Period of relief:

First provisional tax periods ending on or after 1 April 2020, but before 1 October 2020 and to second provisional tax periods ending on or after 1 April 2020, but before 1 April 2021.

- How it works:

The first provisional tax payments falling due within the period 1 April 2020 to 30 September 2020 will only be based on 15% (previously 50%) of the estimated total tax liability.

The second provisional tax payments falling due within the period 1 April 2020 to 31 March 2021, will be based on 65% (previously 100%) of the estimated total tax liability.

In order to avoid interest being levied where taxpayers have deferred amounts in this manner, the full amount of provisional tax must be paid at the time of the third provisional payment.



SOUTH AFRICA

- Employers that qualify for the relief:

Any tax compliant business with an annual turnover not exceeding R50 million (R5 million for individuals, subject to other requirements).

- Employers that do not qualify for the relief

Any business who has failed to submit any return or has any outstanding tax debt.

Other Taxes

- Deferral of PAYE payments (Employee Tax)

- Aim of relief:

To assist businesses with liquidity in a time where business activity is likely to see an unprecedented decline in turnovers. The benefit of the measure is immediate cash flow relief that could enable businesses to survive.

- The relief:

SARS will allow the deferral of payment of 20% of the PAYE liability calculated on monthly EMP201 submissions to SARS, without SARS imposing administrative penalties and interest for the late payment thereof.

- Period of relief:

It is Mazars' view that the relief is applicable with effect from 1 April (i.e. that the relief will only apply to the April PAYE payable in May) to 31 July 2020. SARS will issue further clarity on this time frame shortly.

- How it works:

The deferred PAYE liability must be paid to SARS in equal instalments over the six-month period commencing on

1 August 2020 (i.e. the first instalment payment must be made on 7 September 2020). Note that the six equal repayment amounts must be made in addition to the employer's normal PAYE payments during the six month repayment period.

- Employers that qualify for the relief:

Any tax compliant business with an annual turnover not exceeding R50 million per year of assessment.

- Employers that do not qualify for the relief:

Any business who has failed to submit any return or has any outstanding tax debt or who has an annual turnover exceeding R50 million per year of assessment.

- R500 tax subsidy

- Aim of relief:

The introduction of a tax subsidy to employers of R500 per month for those private sector employees earning below R6,500 per month utilizing the current Employment Tax Incentive (the ETI).

- The relief:

There will be a tax subsidy of R500 per month for the next four months for employees in the private sector who earn less than R6,500 per month. This will be implemented under the current ETI scheme in addition to current ETI amounts claimed. If the ETI amounts claimed on the monthly EMP201 declaration exceeds the employee's tax payable, the employer can claim a refund from SARS monthly.



SOUTH AFRICA

- Period of relief:

The relief will take effect from 1 April 2020 and ending on 31 July 2020.

- How it works:

Allowing a monthly ETI claim in the amount of R500 during this four month period for employees (earning less than R6, 500) from the ages of:

- 18 to 29 who are no longer eligible for the ETI as employer has claimed ETI in respect of those employees for the 24 months; and
- 30 to 65 who are not eligible for the ETI due to their age.
- Employers that qualify for the relief:

Any tax compliant business who employ workers who earn less than R6 500 per month.

- Employers that do not qualify for the relief:

Any business who has failed to submit any return or has any outstanding tax debt.

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

- Financial assistance from Banks

South African Banks have different approaches to financial assistance to their clients. Most of these give payment relief to customers that are in good standing. This is accessed on a case by case basis and the customer needs to apply for relief.

The relief includes deferral of payments for a 3 month period, or the option of reduced instalments.

Agreements will be adjusted, by revising the load period and capitalizing interest during the relief period. Some banks have decreased credit card repayments for a period of 3 months.

Penalty fees can also be waved for early withdrawal of investments to supplement cash flow challenges clients are experiencing. Some banks also offered payment holidays for student loans, with no action required by the loan holder. It is automated relief. In summary, the best way to determine what is available to you, is to contact your bank directly.

- Solidarity Fund

The South African government also started a fund, called the Solidarity Fund. They urged the public to donate to this fund. A few South African prominent business people has already made big donations into this fund. The money will be used for various projects and initiatives to support South African businesses and the general public with relief efforts. All donations made to the fund is tax deductible.



TANZANIA

Tax Tracker

Indirect Tax Measures

None

Corporate Income Tax measures

None

Other Taxes

None

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

None

Tax Tracker

Indirect Tax Measures

- Total VAT exemption for the wholesale or retail sale of medication.
- Procedures regarding the refunding of VAT credits from ordinary activity. VAT credit on 6 consecutive months : This condition is no longer required; The refunding is granted in a period not exceeding a month.
- Granting all tax certificates (VAT suspension certificate, etc.) without presenting the required documents (with the commitment of presenting them thereafter).

Corporate Income Tax measures

- Deferral of the Corporate Income Tax return to the end of May, instead of 25 March, except for companies subject to corporate income tax at the rate of 35% (banks, insurance companies, oil sector, telecommunications network operators, large retail hypermarkets)
- Possibility for companies to revalue their built and unbuilt assets according to their real values and the exemption of revaluation gains subject to the non-transfer of the revaluated assets
- Allowing totally exporting entities operating in the food industry and health sector to achieve a local turnover of 100% during the year 2020 instead of 30%

- Allowing other totally exporting entities to achieve a local turnover of 50% during the year 2020 instead of 30%

Other Taxes

None

Customs Measures

Amnesty for industrial companies with court cases or customs fines before the 20th of March 2020 by paying 10% of the principal amount in addition of due duties and taxes

Tax Audits and Controversies

- Suspension until the end of May, of all tax audits, deadlines related to tax audit procedures as well as deadlines for oppositions
- Implementation and activation of the role of the National and Regional Conciliation Commissions
- Possibility of rescheduling the tax debts to a period up to 7 years

Other Measures

- Deferral of social security contribution dues for the second quarter 2020 for 3 months
- Central Bank interest rate reduced by 100 basis points to bring it down to 6.75%
- The implementation of a unit to support the companies most affected by the pandemic in order to guarantee jobs
- Introducing legal amendments to temporarily suspend legal proceedings relating to financial crimes



TUNISIA

- Additional funding of 500 Million TND to consolidate strategic stock of drugs, medical supplies, food and hydrocarbons.
- Implementation of an investment fund of 500 Million TND by the Deposits and Consignments Fund CDC in order to finance companies through mechanisms similar to equity (quasi-equity). This concerns companies that keep job positions for all their staff.
- Possible deferral of payment of debts owed to banking and financial institutions for a period of 6 months
- Implementation of an investment mechanism of 100 Million TND to finance the acquisition of equipment for hospitals and public health establishments
- Implementation of a guarantee mechanism (500 Million TND Fund) for the tourist sector (tourist restaurants, class 1 travel agencies), in order to guarantee the new operating and management credits which will be granted by the banking sector before December 31, 2020 over a period of 7 years, including two years of grace. This measure also concerns the transport sector and the cultural sector.



Tax Tracker

Indirect Tax Measures

ABU DHABI

On 16 March 2020, Abu Dhabi Executive Council launched the following initiatives ("Ghadan 21"):

- suspension of annual registration fees for commercial vehicles until the end of 2020;
- suspension of individual or commercial real estate registration fees until the end of 2020;
- suspension of Tawtheeq fees (fees applicable for issuing a certified municipality lease contract) for commercial real estate registration fees until the end of 2020;
- tourism and municipality fees for the tourism and entertainment sectors suspended for 2020 ;
- reduction by 25% of industrial land leasing fees for new contracts; and
- waiving of industrial and commercial penalties.

DUBAI

On 13 March 2020, Dubai government unveiled AED 1.5 billion economic stimulus package for the next three months to support companies and the business sector many including:

Government fees related measures

- suspension of 2.5% Market fees;
- cancellation of the 25% down payment for requesting the instalment of government fees for licensing and renewing licenses;

- 50% reduction of Municipality fee on hotel sales;
- suspension of classification fees for tourism and sport activities;
- suspension of ticket, permit issuance and government fees on recreational / business activities.

Corporate Income Tax Measures

None

Other Taxes

None

Customs Measures

Dubai

- refund of 1% of customs duty on imported products sold within the UAE markets, which are subject to custom duty rate of 5% and have been processed under import declaration from 15 March 2020 to 30 June 2020;
- 90% reduction on fees on submitting customs documents;
- AED 50,000 guarantee required to undertake customs clearance activities revoked. The guarantee already deposited by existing customs brokers and clearing companies will be refunded.

Tax Audits and Controversies

None



Other Measures

ABU DHABI

Banking relief

Main supporting measures announced by Abu Dhabi banks on 25 March 20:

- instalment deferment on existing borrowings for 3 months for eligible customers until 30 June 2020 with no additional bank charges;
- reduction by 50% of bank merchant service fees (credit card transactions) for SMEs with below AED 5 million usage per annum until 30 June 2020;
- reduction of up to 50% on all banking fees and charges for Zero Balance accounts for eligible customers;
- reduction to up to AED 10,000 per month of the Minimum Average Balance requirements on all SME account categories for eligible customers to provide them with more liquidity;
- Instalment deferment on new borrowings for up to 3 months along with a 50% reduction in any associated bank charges until 30 June 2020;
- reduction of interest charges on new borrowings based on new prevailing rates; and
- 50% reduction in bank charges for early settlements on their existing borrowings until 30 June 2020.

SMEs and start-ups support measures (part of "Ghadan 21" initiative)

- credit guarantee programme of AED 3bn managed by Abu Dhabi Investment Office for SMEs
- waiver of performance guarantees for projects up to AED 50m for start-ups.

Tourism industry measures

- up to 20% rebate on rental values for the restaurants and tourism and entertainment sectors

Measures to support suppliers to government (26 March 2020)

- payment of all approved government invoices within 15 working days;
- suspension of fines for suppliers affected by the COVID-19 crisis for delays in regards to the execution of federal government contracts for a renewable three months;
- suspension of bid bonds;
- 90% award of federal government purchases for small and medium suppliers.

Capital Market measures

- As part of the "Ghadan 21" initiatives, an AED 1 billion market maker fund has been established to enhance liquidity and sustain balance between supply and demand for stocks.



Dubai

Banking relief

On 21 March 2020, Dubai banks announced various supporting measures:

1. Commercial banks (Emirates NBD, Mashreq and Commercial Bank of Dubai) - from 1 April to 30 June, 2020:
 - for small business customers repayment holiday of 3 months with 0% interest and fees for their business related loans;
 - reduction of the monthly minimum balance required for basic business banking account to AED 10,000;
 - for Business Banking customers with working capital facilities optimal financial solution can be proposed;
 - for Wholesale Banking Clients, refinancing, repayment deferrals or lower repayments relief measures available;
 - for trade finance customers, reduced bank charges for digital trade transactions;
 - enhanced credit and trade lines to manage ongoing operational costs; and
 - for trading clients trading in the UAE bourses suitable instalment payment plans against additional collateral to help them regularise their margin trading positions.
2. Islamic Banks - from 1 April to 30 June, 2020:
 - waiver of minimum balance fee for maintaining a minimum balance requirement of AED 10,000 until 30 June 2020;
 - deferment of 3 months instalment upon request for clients with a Business Finance facility;
 - for Wholesale Banking customers with working capital facilities financial solution can be proposed;
 - relief measures for key sectors with need-based refinancing, repayment deferrals or lower repayments options; and
 - for all trade finance customers, reduced charges for digital trade transactions for all trade finance customers.



AMERICAS

COVID-19 Tax Subsidies

NORTH AMERICA

		Indirect Tax measures	Corporate Income Tax measures	Other Taxes	Customs measures	Tax Audits and controversies	Other measures (macroeconomic, legal, labour, etc.)
	Canada	✓	✓	n/a	n/a	n/a	✓
	USA	✓	✓	✓	✗	✓	✓

LATIN AMERICA

		Indirect Tax measures	Corporate Income Tax measures	Other Taxes	Customs measures	Tax Audits and controversies	Other measures (macroeconomic, legal, labour, etc.)
	Argentina	✗	✓	✗	✗	✓	✓
	Brazil	✓	✓	✓	✓	✓	✓
	Chile	✓	✓	✓	✗	✓	✓
	Colombia	✓	✓	✓	✓	✓	✓
	Mexico	✗	✗	✓	✗	✓	✓
	Peru	✓	✓	✓	✓	✓	✓
	Uruguay	✓	✗	✗	✗	✗	✓
	Venezuela	✓	✓	✓	✓	✓	✓

n/a Not available ✓ Implemented ✗ None

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Tax Tracker

Indirect Tax Measures

- Deferral of sales tax remittance

The Federal government announced on March 27, 2020 that taxpayers will have until June to make their GST and HST payments. Regarding the QST, the Québec government has also announced that taxpayers will have until June 30 to make their payment.

The following deadlines would be postponed to June 30, 2020:

- Monthly filers have to remit amounts collected in February, March and April 2020 reporting periods;
- Quarterly filers have to remit amounts collected for the January 1, 2020, through March 31, 2020, reporting period; and
- Annual filers, whose GST/HST and QST return or instalment are due in March, April or May 2020, have to remit amounts due and unpaid for their previous fiscal year and instalments of GST/HST and QST in respect of the filer's current fiscal year.

The filing deadline remains unchanged for both GST/HST and QST. Businesses who are able to do so should file their GST/HST and QST returns within the usual time frame to facilitate compliance and administration. However, the Canada Revenue Agency and Revenue Québec have indicated that, given the difficult

situations faced by businesses, penalties will not be imposed in cases where a return is filed late provided that it is filed no later than June 30, 2020.

Corporate Income Tax

Since March 17, our Québec and Federal tax authorities announced flexibility measures.

- Measures aimed at individuals:

The deadline for producing and filing income tax returns is postponed to June 1, 2020; balances due related to income tax returns for the 2019 taxation year is postponed to August 31, 2020.

For individuals and individuals in business, the deadline for applying balances due related to income tax returns for the 2019 taxation year is postponed to August 31, 2020.

In addition, the contributions from individuals that are subject to the QPP, QPIP, HSF and the Québec Prescription Drug Insurance plan for the 2019 taxation year, and would otherwise have to be made no later than on April 30, 2020, are postponed to August 31, 2020.

For those who must pay tax instalments, the payment of the June 15, 2020, tax instalment is suspended until August 31, 2020. The date and terms of payment of this amount will be announced shortly. Individuals will have a reasonable period of time to pay the amount due.

- Measures aimed at trusts:

For trusts (other than a specified investment flow-through trust), the



deadline for filing their income tax return for the 2019 taxation year is extended to May 1, 2020.

The balance will be payable no later than August 31, 2020.

- Measures aimed at businesses:

The payment of tax instalments and taxes due as of today is suspended until August 31, 2020.

The rules applicable to the filing of corporate income tax returns, including the due date for filing such tax returns, will not be changed. Only the time when the balance can be paid will be postponed.

- Measures aimed at partnerships:

Partnerships that had to file a Partnership Information Return (form TP-600-V) for 2019 by March 31, 2020, now have until May 1, 2020, to file the return.

We are still waiting for the federal authorities to pronounce on this matter.

- Electronic signature:

To limit in-person contact, Revenu Québec and the Canada Revenue Agency will now allow preparers to use an electronic signature on some forms that their clients must sign.

Other Taxes

None

Customs Measures

None

Tax Audits and Controversies

None

Other measures

- Canada emergency wage subsidy

To help businesses keep and reinstate workers while facing the challenges of the COVID-19 pandemic, Prime Minister, Justin Trudeau, proposed the new Canada Emergency Wage Subsidy. This subsidy would provide eligible employers with a wage subsidy of 75% of base salary, up to a maximum of 12 weeks, retroactive to March 15, 2020.

It aims to prevent further job losses, encourage employers to rehire workers previously laid off as a result of COVID-19, and help better position Canadian companies and other employers to resume more easily their regular operations after the crisis.

For further details please see: <https://eng.mazars.ca/Home/News/Latest-news/Covid-19-Mazars-by-your-side/The-Canada-Emergency-Wage-Subsidy>

- Canada emergency response benefit

To support workers and help businesses keep their employees, the federal government has proposed legislation to establish the Canada Emergency Response Benefit (CERB). This taxable benefit would provide \$2,000 a month for up to four months for workers who lose their income as a result of the COVID-19 pandemic.



The CERB would be a simpler and more accessible combination of the previously announced Emergency Care Benefit and Emergency Support

Benefit. If you are eligible, you will be able to register, starting on April 6; benefits should be delivered 10 days after you submit your application form.

Individuals, taxable corporations, and partnerships consisting of eligible employers;

For more details, please see:

<https://eng.mazars.ca/Home/News/Latest-news/Covid-19-Mazars-by-your-side/Covid-19-Canada-Emergency-Response-Benefit>

- Temporary wage subsidy for employers

To support businesses facing income losses and to help prevent layoffs, the federal government is proposing a temporary wage subsidy for three months for eligible small-business employers. The subsidy will be equal to 10% of the compensation paid during this period, up to a maximum of \$1,375 per employee and \$25,000 per employer. Businesses will be able to take immediate advantage of this support measure by reducing their income tax remittances withheld from their employees' wages.

For more details, please see:

<https://eng.mazars.ca/Home/News/Latest-news/Covid-19-Mazars-by-your-side/Covid-19-Temporary-Wage-Subsidy-for-Employers>



- How much is the subsidy?

The subsidy amount for a given employee on eligible remuneration paid between March 15 and June 6, 2020, would be the greater of:

75% of the amount of remuneration paid, up to a maximum benefit of \$847 per week;

the remuneration paid, up to a maximum benefit of \$847 per week or 75% of the employee's pre-crisis weekly remuneration, whichever is less.

Further guidance with respect to how to define pre-crisis weekly remuneration for a given employee will be provided in the coming days.

Other measures

- Canada emergency wage subsidy

To help businesses keep and reinstate workers while facing the challenges of the COVID-19 pandemic, Prime Minister, Justin Trudeau, proposed the new Canada Emergency Wage Subsidy. This subsidy would provide eligible employers with a wage subsidy of 75% of base salary, up to a maximum of 12 weeks, retroactive to March 15, 2020.

It aims to prevent further job losses, encourage employers to rehire workers previously laid off as a result of COVID-19, and help better position Canadian companies and other employers to resume more easily their regular operations after the crisis.

- Eligible employers include

Individuals, taxable corporations, and partnerships consisting of eligible employers;

Nonprofit organizations and registered charities.

Public organizations, which include municipalities and local governments, Crown corporations, public universities, colleges, schools and hospitals would not be eligible for this subsidy.

This subsidy would be available to eligible employers that see a reduction of at least 30% of their revenue. In applying for the subsidy, employers would be required to attest to the decline in revenue.

Tax Tracker

Indirect Tax Measures

Consistent with the IRS postponing the April 15 deadline for tax filing and payment, more and more states are coming on board with a delay of their due dates as well, while others have still not officially announced conformity with the new July 15 deadline. Certain ancillary taxes, such as sales taxes, may also be impacted. The following is an update on certain states/cities.

- **Georgia**

The Department of Revenue has extended, without penalties or interest, the filing and payment deadline for 2019 state income taxes from April 15, 2020, to July 15, 2020, to mirror the IRS's extension for filing federal returns in response to COVID-19; the extension also applies to estimated income tax payments for the 2020 tax year, but it is not applicable to other types of state tax such as employee withholding and sales tax or to state information returns.

- **Illinois**

The 2019 income tax filing and payment deadlines for all taxpayers who file and pay their Illinois income taxes on April 15, 2020, are automatically extended until July 15, 2020. This relief applies to all individual returns, trusts, and corporations. This relief is automatic, taxpayers do not need to file any additional forms or call IDOR to qualify.

This extension does NOT impact the first and second installments of estimated payments for 2020 taxes that are due April 15 and June 15. Taxpayers are required to estimate their tax liability for the year and make four equal installments.

- **Pennsylvania**

July 15, 2020 has become the new due date for returns originally due April 15, 2020 as well first and second quarter 2020 estimated taxes. The Department of Revenue will waive penalties and interest on 2019 personal income tax payments through the new deadline of July 15, 2020.

- **Philadelphia**

The Philadelphia Business Income and Receipts Tax (BIRT) and Net Profits Tax filing dates have been changed to July 15, 2020. This also applies to estimated payments. The city has not made an announcement on the School Income Tax, which also has a due date of April 15.

- **New York State**

Sales tax payments and returns were due March 20, 2020; however, penalties and interest may be waived for quarterly and annual filers who were unable to file or pay on time due to COVID-19. Returns must be filed and the amount due must be paid within 60 days of the due date for this relief to apply.

At this time, the Department of Taxation & Finance has not issued a formal announcement concerning personal income tax extensions,

however certain officials have made statements suggesting that this will be the case.

- New York City

The city has not made an announcement with respect to income taxes as of the writing of this Alert

- New Jersey

Legislation has been proposed extending the filing and payment deadline for gross income tax and corporate business tax returns due April 15, 2020 to June 30, 2020. This has not been signed into law as of the writing of this Alert.

Corporate Income Tax measures

Federal Filing and Payment Deadline Extended to July 15, 2020

The Treasury Department and the Internal Revenue Service are providing special tax filing and payment relief to individuals and businesses in response to the COVID-19 Outbreak.

The filing deadline for tax returns has been extended from April 15 to July 15, 2020 for both individuals and corporations.

The IRS urges taxpayers who are owed a refund to file as quickly as possible. For those who can't file by the July 15, 2020 deadline, the IRS reminds individual taxpayers that everyone is eligible to request an extension to file their return.

This filing and payment relief includes:

The 2019 income tax filing and payment deadlines for all taxpayers who file and pay their Federal income taxes on April 15, 2020, are automatically extended until July 15, 2020. This relief applies to all individual returns, trusts, and corporations. This relief is automatic, taxpayers do not need to file any additional forms or call the IRS to qualify.

This relief also includes estimated tax payments for tax year 2020 that are due on April 15, 2020.

Penalties and interest will begin to accrue on any remaining unpaid balances as of July 16, 2020. You will automatically avoid interest and penalties on the taxes paid by July 15.

Note: Second quarter 2020 estimated income tax payments are still due on June 15, 2020. First quarter 2020 estimated income tax payments are postponed from April 15 to July 15, 2020.

Individual taxpayers who need additional time to file beyond the July 15 deadline can request a filing extension by filing Form 4868 extending through October 15, 2020.

- Families First Coronavirus Response Act

The Act provides a refundable tax credit equal to 100% of qualified sick leave wages paid (beginning on April 1, 2020 and ending on December 31, 2020) by an employer in each calendar quarter, allowable against the employer portion of Social Security and Medicare taxes.

Qualified sick leave wages are wages required to be paid by any employer (other than health care providers and emergency responders) with fewer than 500 employees under the Emergency Paid Sick Leave Act (Division E), not exceeding 10 days in the calendar year. The amount paid to employees is capped at \$511 per day if it is paid so that the employee can:

1. Self-isolate because the employee is diagnosed with coronavirus;
2. Obtain a medical diagnosis or care if such employee is experiencing the symptoms of coronavirus; or
3. Comply with a recommendation or order by a public official with jurisdiction or a health care provider on the basis that the physical presence of the employee on the job would jeopardize the health of others because of the exposure of the employee to coronavirus or exhibition of symptoms of coronavirus by the employee.

There is a lower amount available for reimbursement for employees who are on leave to care for a family member, or amounts paid as required by a separate section of the bill that expands the Family and Medical Leave Act (Division C) to cover family leave specifically for childcare.

In addition, a separate overall cap of \$10,000 was provided for wages paid as family leave under the Family and Medical Leave Act expansion.

The credit is refundable (to the employer) to the extent it exceeds the employer's total Social Security and Medicare tax liability for any calendar quarter. Wages taken into account in determining the credit are not to be taken into account in determining the credit allowed under section 45S.

No credit is allowed under section 45S (employer credit for paid family and medical leave) for wages for which a credit is allowed under the Act. The credit is includible in gross income for income tax purposes. Wages required to be paid pursuant to the Act are not considered wages for Social Security purposes. There is a parallel credit for eligible self-employed individuals, refundable and allowable against income taxes.

On Friday, March 20, the IRS issued Information Release 2020-57 announcing that employers can begin claiming the two new refundable payroll tax credits under the Families First Coronavirus Response Act ("the Act"). The IRS also announced that it will release guidance on how eligible employers who pay qualifying sick or childcare leave under the Act will be able to request an accelerated payment from the IRS for the two new refundable payroll tax credits.

If there are not sufficient payroll taxes to cover the cost of qualified sick and childcare leave paid, employers will be able to file a request for an accelerated payment from the IRS.

The IRS expects to process these requests in two weeks or less. The details of this new, expedited procedure will be announced next week.

- CARES Act

On March 27, the President signed the Coronavirus Aid, Relief, and Economic Security Act (“the CARES Act”), “Phase III” of the government’s response to the COVID-19 crisis, with an estimated cost in excess of \$2 trillion. The bill provides economic stimulus for individuals and businesses adversely impacted by the pandemic and includes measures to support states and the country’s health care system, and authorizes a \$500 billion loan program for adversely impacted businesses. Also contained within the CARES Act are a number of tax relief measures for individuals and businesses.

- BUSINESS TAX RELIEF

The CARES Act delivers business tax relief by providing certain credits against payroll taxes, deferring payment of payroll taxes, relaxing rules with respect to the utilization of net operating losses, and enhancing the deductibility of certain expenses.

- Employee Retention Credit

Employers subject to full or partial closure due to COVID-19, or whose businesses have suffered as a result of the economic downturn (“eligible employers”), are eligible for a refundable payroll tax credit of up to 50% of qualified wages paid.

For eligible employers with greater than 100 full-time employees, qualified wages are wages paid to employees when they are not providing services because the business has been partially or fully shut down due to COVID-19, or because gross receipts have declined by more than 50% relative to the same quarter in the prior year. For eligible employers with 100 or fewer full-time employees, all employee wages qualify for the credit.

The credit is provided for the first \$10,000 of compensation, including health benefits, paid to an eligible employee in the quarter, for wages paid from March 13 through December 31, 2020. It is limited to employment taxes on wages paid, reduced by other payroll credits including those enacted by the Families First Coronavirus Response Act, which passed earlier this month.

Employers that receive certain small business loans as provided for under the CARES Act are not eligible for the employee retention credit.

- Deferral of Employer Payroll Taxes

The CARES Act allows for deferral of the employer share of Social Security taxes owed in 2020 (including the share owed by self-employed individuals), with the deferred amount to be paid over the following two years, half by December 31, 2021 and the other half by December 31, 2022.

The payroll taxes that could be deferred are those incurred during the period beginning on the CARES Act's date of enactment and ending before January 1, 2021.

- Tax Cuts and Jobs Act of 2017 ("TCJA") Related Changes

A number of provisions of the CARES Act roll back changes made by the TCJA that made it harder for taxpayers to benefit from current year losses or utilize prior year credits. The CARES Act also corrects a widely recognized error in the TCJA known as the 'retail glitch.'

- Net Operating Loss ("NOL") Relief

This provision reverses restrictions on businesses' use of losses enacted as part of the TCJA. Those changes amended section 172 to limit taxpayers' ability to carry back an NOL and introduced an 80% limitation on an NOL carryforward. The CARES Act allows for a 5-year carryback of NOLs arising in tax years beginning in 2018, 2019, or 2020 and temporarily removes the 80% of taxable income limitation.

The CARES Act also includes a technical correction to the TCJA addressing how NOL carrybacks apply to non-calendar year taxpayers for tax years beginning in 2017.

Proposed regulations interpreting the TCJA changes made to section 172 have been reviewed by the Office of Management and Budget and may have been due for immediate release.

However, this could now be on hold due to passage of the CARES Act. Additional guidance will now likely be needed to help taxpayers make sense of the interaction between re-amended section 172 and other changes made by the TCJA and the CARES Act, including the one-time transition tax (section 965) and the BEAT.

This provision can offer additional tax refunds at the previous 34% or 35% tax rates for net operating loss carrybacks ("NOLCB") into pre-2018 tax years. Financial statements may also reflect a benefit by means of converting deferred tax assets on net operating loss carryforward ("NOLCF") from a 21% tax benefit to a 34% or 35% current tax benefit. Additionally, companies need to take into account the interplay with foreign tax credits, alternative minimum tax ("AMT"), potential base erosion and anti-abuse tax implications, as well as transfer pricing considerations.

- Pass-Through Business Loss Relief

Section 461(l) was enacted by the TCJA, limiting the ability of individuals (and sole proprietors) from claiming excess business losses beginning in 2018. The CARES Act modifies the loss limitation rule, thereby reinstating taxpayers' ability to deduct excess business losses attributable to pass-through businesses and sole proprietorships for tax years 2018-2020.

The CARES Act includes some technical corrections to section 461(l) that will make it more difficult for some taxpayers to benefit from trade or business losses beginning in 2021, restricting the ability to offset wage income against business losses. There is an additional technical correction that clarifies the interaction of section 461(l) and section 172, retroactive to the effective date of the TCJA.

- Acceleration of AMT Credit

The TCJA repealed the corporate AMT but allowed corporate AMT credits to continue to be utilized, spread over several years ending in 2021. The CARES Act allows taxpayers to accelerate their ability to claim AMT credits into 2018 and 2019, or to make an election to claim the entire amount in 2018.

Increase in Taxable Income Threshold for Deducting Interest Expense

The TCJA vastly expanded the restrictions on deductibility of business interest expense, generally limiting it to 30% of taxable income (broadly defined). The CARES Act raises the threshold to 50% for 2019 and 2020 for taxpayers other than partnerships. The change can adversely impact taxpayers that may be subject to other loss limitation provisions, such as BEAT. The CARES Act allows taxpayers to elect out of the increased limitation.

The CARES Act does not adjust the limitation for partnerships, but does increase the limitation at the partner level in a complex manner.

50% of a partner's suspended excess interest expense allocated to them for 2019 can be fully utilized, while the remaining 50% is subject to TCJA-enacted rules applicable to partner excess interest expense. A partner can choose to elect out of the new rule.

- Retail Glitch Fix

A well-known drafting error in the TCJA classified qualified improvement property as 39-year property when it was intended to be treated as 15-year property.

The CARES Act corrects this oversight by defining qualified improvement property as 15-year property.

This means that qualified improvement property will now be eligible for bonus depreciation and a shorter recovery period.

This provision is effective for property acquired and placed in service after September 27, 2017, thus affording taxpayers the ability to amend prior year returns.

Temporary Exception from Excise Tax for Alcohol Used to Produce Hand Sanitizer

For 2020, the CARES Act waives the federal excise tax on alcohol used for, or contained in, hand sanitizer that is produced and distributed in a manner consistent with guidance issued by the Food and Drug Administration.

- Charitable Contributions

The CARES Act increases the 10% limitation for corporations to 25% of taxable income.

- INDIVIDUAL TAX RELIEF

- Individual Rebates

The CARES Act provides U.S. individuals not taken as a dependent on another person's tax return with adjusted gross income of up to \$75,000 with a \$1,200 rebate, plus \$500 for every child claimed as a dependent. (For married couples filing a joint return, the amount is \$2,400 for couples with adjusted gross income of up to \$150,000). The amount is completely phased-out for single filers with incomes exceeding \$99,000; \$146,500 for head of household filers with one child; and \$198,000 for joint filers with no children.

The rebate, in the form of a credit (as of March 27, 2020 pending future guidance on how payment will be received), is allowable for the first taxable year beginning in year 2020. Certain individuals are eligible for an advance refund amount based on their 2019 adjusted gross income (or their 2018 adjusted gross income if a 2019 income tax return has not been filed).

- Retirement Plan Relief

The CARES Act temporarily removes the 10% penalty associated with early withdrawals of up to \$100,000 from retirement accounts. This relief is available for individuals diagnosed with COVID-19 or who have a spouse or dependent diagnosed with COVID-19, or who have suffered economic hardship from COVID-19 (e.g., furloughed or laid off). The relief applies for withdrawals made in 2020.

Distributions made pursuant to this provision are taxable to an individual ratably over a 3-year period.

Individuals would be allowed to recontribute any coronavirus distribution back into the retirement plan within the 3-year period beginning on the day after such distribution was received.

- Waiver of Required Minimum Distribution Rules

Required minimum distributions from defined contribution plans and individual retirement accounts are waived for the 2020 tax year.

If a distribution is not needed to fund one's lifestyle, it may be prudent to avail oneself of this relief.

Not taking the required minimum distribution will reduce one's taxable income and, consequently, one's tax. In addition, taking the required minimum distribution may require one to liquidate securities in the retirement account at a time when the securities are depressed in value.

One should also consider converting IRAs to Roth IRAs if the value of the IRA has been significantly diminished as a result of the recent market volatility and if one's taxable income in 2020 is expected to be less than other years.

- Charitable Deductions

The CARES Act provides taxpayers who do not itemize with the ability to claim an "above-the-line" deduction of up to \$300 for cash charitable contributions made in 2020.

In addition, deductions for cash contributions made during 2020 to certain charitable organizations are not subject to the percentage of adjusted gross income limitation. This relief does not apply to contributions made to private foundations or donor-advised funds.

- Employer Payments of Student Loans

Under the CARES Act, employers can provide up to \$5,250 to an employee to be used for payment of student loans on a tax-free basis, applicable for payments made before January 1, 2021.

- **CONCLUSION**

The CARES Act includes a number of provisions inserted at the behest of Democrats, including expanded benefits for lower income individuals and oversight of a \$500 billion loan program for businesses. Not included in the CARES Act are other hoped-for technical corrections to the TCJA, such as amendments to address unintended consequences of the repeal of section 958(b)(4). Also not included were proposals to further extend tax filing deadlines and estimated payment deadlines.

The CARES Act is not likely to be the last coronavirus-relief package enacted by Congress. Talk has already begun on “Phase IV.”

Other Taxes

- Temporary Exception from Excise Tax for Alcohol Used to Produce Hand Sanitizer

For 2020, the CARES Act waives the federal excise tax on alcohol used for, or contained in, hand sanitizer that is produced and distributed in a manner consistent with guidance issued by the Food and Drug Administration.

Customs Measures

None

Tax Audits and Controversies

- Existing Installment Agreements

For taxpayers under an existing Installment Agreement, payments due between April 1 and July 15, 2020 are suspended. Taxpayers who are currently unable to comply with the terms of an Installment Payment Agreement, including a Direct Debit Installment Agreement, may suspend payments during this period if they prefer. Furthermore, the IRS will not default any Installment Agreements during this period. By law, interest will continue to accrue on any unpaid balances.

- New Installment Agreements

The IRS reminds people unable to fully pay their federal taxes that they can resolve outstanding liabilities by entering into a monthly payment agreement with the IRS

- Offers in Compromise (OIC)

The IRS is taking several steps to assist taxpayers in various stages of the OIC process:

- Pending OIC applications

The IRS will allow taxpayers until July 15 to provide requested additional information to support a pending OIC.

In addition, the IRS will not close any pending OIC request before July 15, 2020, without the taxpayer's consent.

- **OIC Payments**

Taxpayers have the option of suspending all payments on accepted OICs until July 15, 2020, although by law interest will continue to accrue on any unpaid balances.

- **Delinquent Return Filings**

The IRS will not default an OIC for those taxpayers who are delinquent in filing their tax return for tax year 2018. However, taxpayers should file any delinquent 2018 return (and their 2019 return) on or before July 15, 2020.

- **New OIC Applications**

The IRS reminds people facing a liability exceeding their net worth that the OIC process is designed to resolve outstanding tax liabilities by providing a "Fresh Start."

- **Non-Filers**

The IRS reminds people who have not filed their return for tax years before 2019 that they should file their delinquent returns.

More than 1 million households that haven't filed tax returns during the last three years are actually owed refunds; they still have time to claim these refunds.

Many should consider contacting a tax professional to consider various available options since the time to receive such refunds is limited by statute.

Once delinquent returns have been filed, taxpayers with a tax liability should consider taking the opportunity to resolve any outstanding liabilities by entering into an Installment Agreement or an Offer in Compromise with the IRS to obtain a "Fresh Start."

- **Field Collection Activities**

Liens and levies (including any seizures of a personal residence) initiated by field revenue officers will be suspended during this period. However, field revenue officers will continue to pursue high-income non-filers and perform other similar activities where warranted.

- **Automated Liens and Levies**

New automatic, systemic liens and levies will be suspended during this period.

- **Passport Certifications to the State Department**

IRS will suspend new certifications to the Department of State for taxpayers who are "seriously delinquent" during this period. These taxpayers are encouraged to submit a request for an Installment Agreement or, if applicable, an OIC during this period. Certification prevents taxpayers from receiving or renewing passports.

- **Private Debt Collection**

New delinquent accounts will not be forwarded by the IRS to private collection agencies to work during this period.

- **Field, Office and Correspondence Audits**

During this period, the IRS will generally not start new field, office and correspondence examinations. We will continue to work refund claims where possible, without in-person contact. However, the IRS may start new examinations where deemed necessary to protect the government's interest in preserving the applicable statute of limitations.

- In-Person Meetings

In-person meetings regarding current field, office and correspondence examinations will be suspended. Even though IRS examiners will not hold in-person meetings, they will continue their examinations remotely, where possible. To facilitate the progress of open examinations, taxpayers are encouraged to respond to any requests for information they already have received - or may receive - on all examination activity during this period if they are able to do so.

- Unique Situations

Particularly for some corporate and business taxpayers, the IRS understands that there may be instances where the taxpayers desire to begin an examination while people and records are available and respective staffs have capacity. In those instances when it's in the best interest of both parties and appropriate personnel are available, the IRS may initiate activities to move forward with an examination -- understanding that COVID-19 developments could later reduce activities for an agreed period.

General Requests for Information - In addition to compliance activities and examinations, the IRS encourages taxpayers to respond to any other IRS correspondence requesting additional information during this time if possible.

- Earned Income Tax Credit and Wage Verification Reviews

Taxpayers have until July 15, 2020, to respond to the IRS to verify that they qualify for the Earned Income Tax Credit or to verify their income. These taxpayers are encouraged to exercise their best efforts to obtain and submit all requested information, and if unable to do so, please reach out to the IRS indicating the reason such information is not available. Until July 15, 2020, the IRS will not deny these credits for a failure to provide requested information.

- Independent Office of Appeals

Appeals employees will continue to work their cases. Although Appeals is not currently holding in-person conferences with taxpayers, conferences may be held over the telephone or by videoconference. Taxpayers are encouraged to promptly respond to any outstanding requests for information for all cases in the Independent Office of Appeals.

Statute of Limitations

The IRS will continue to take steps where necessary to protect all applicable statutes of limitations. In instances where statute expirations might be jeopardized during this period, taxpayers are encouraged to

cooperate in extending such statutes. Otherwise, the IRS will issue Notices of Deficiency and pursue other similar actions to protect the interests of the government in preserving such statutes. Where a statutory period is not set to expire during 2020, the IRS is unlikely to pursue the foregoing actions until at least July 15, 2020.

- **Practitioner Priority Service**

Practitioners are reminded that, depending on staffing levels and allocations going forward, there may be more significant wait times for the PPS. The IRS will continue to monitor this as situations develop.

Other Measures

- **State and Local Coronavirus Small Business Assistance Programs**

Most states and cities are directing businesses toward the U.S. Small Business Administration (SBA) for low-interest federal disaster loans for working capital. However, some states and cities have additional assistance programs in place. See details on selected programs below:

- **California**

The California Infrastructure and Economic Development Bank (IBank) is the State of California's only general-purpose financing authority. IBank will issue loan guarantees up to 95% of the loan through its partner Financial Development Corporations to help small businesses, including small farms, nurseries, agriculture-related enterprises and nonprofits that have suffered an economic loss. This disaster program will help lenders

and small businesses by providing loan guarantees of up to \$1 million for small business borrowers in declared disaster areas.

IBank is also offering loans from \$500 to \$10,000 to low-wealth entrepreneurs in the declared disaster and emergency areas through its Jump Start Loan Program.

- **Los Angeles**

The Small Business Emergency Microloan Program will provide loans of \$5,000 to \$20,000 for small business enterprises that have been affected by the COVID-19 outbreak. Loans with repayment terms of six months to one year carry an interest rate of 0% and five-year loans have interest rates of 3% to 5%. If you own 20% or more of the business, you must guarantee the loan.

- **San Francisco**

Businesses can apply for up to \$10,000 in emergency funding to help cover rent and employee salaries. Eligible small businesses must have between 1 and 5 employees, show a loss of revenue of 25% or more, have less than \$2,500,000 in gross receipts, and be engaged in activities that are regulated by the City and County of San Francisco and have a related license/permit.

- **Chicago, Illinois**

Small businesses in Chicago can apply for low-interest loans of up to \$50,000 with repayment terms of up to five years. To be eligible, you must demonstrate a 25% drop in revenue, have less than \$3 million in revenue

and fewer than 50 employees, and have no current tax liens or legal judgments.

- Florida

Small business owners with 2 to 100 employees located in Florida affected by COVID-19 can apply for short-term loans up to \$50,000. These loans are interest-free for up to one year; after that, the interest rate rises to 12%.

- Hillsboro, Oregon

The city will provide grants of up to \$5,000 to small businesses and entrepreneurs affected by the coronavirus and containment measures. To qualify, businesses must have a facility located in Hillsboro and a current Hillsboro business license. Priority will be given to businesses with 10 employees or fewer

- Michigan

Grants will be available in amounts of up to \$10,000 to help cover working capital. Loans will be available in amounts from \$50,000 to \$200,000 at interest rates of 0.25%. Eligible companies must have 50 employees or fewer

- Maine

The Finance Authority of Maine Various offers benefits including loans of up to \$50,000 offered at reduced interest rates; interest-only payments; up to 75% pro-rata loan insurance on loans up to \$100,000; interim financing in conjunction with the SBA wherein makes loan proceeds available while approved SBA borrowers await federal funding.

- New Jersey

The New Jersey Economic Development Authority (NJEDA) will offer grants for the planning, designing, acquiring, constructing, reconstructing, improving, equipping, and furnishing of a project, including grants for working capital and meeting payroll requirements. The legislation further allows the chief executive officer of the EDA to extend business document submission deadlines during a period of emergency.

- New Mexico

The New Mexico Economic Development Department (NMEDD) has created a program to assist businesses seeking emergency loans or lines of credit to deal with negative economic impacts from COVID-19. NMEDD can guarantee a portion of a loan or line of credit up to 80% of principal or \$50,000. Loan proceeds are flexible and can be used for (and not limited to) the following: working capital, inventory and payroll.

- New York City

Businesses with fewer than 100 employees who have seen sales decreases of 25% or more will be eligible for zero interest loans of up to \$75,000 to help mitigate losses in profit. The City is also offering small businesses with fewer than 5 employees a grant to cover 40% of payroll costs for two months to help retain employees. Eligible owners who would like to learn more about these programs should fill out our interest form.



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- North Dakota

Loans and equity investments are available to companies certified as primary sector under the North Dakota Development Fund, Revolving Rural Loan Fund and the Venture Capital Program: Up to \$1 million, Lower than market interest rate, Can be in the form of a loan or equity investment, Funding can be used for working capital, equipment or real estate.

- Pennsylvania

The Pennsylvania Industrial Development Authority (PIDA) will administer the Small Business First Fund with \$61 million available initially for business assistance.

Funds through this emergency response fund will be used for working capital loans of up to \$100,000 directly to small businesses and hopefully nonprofits (those that employ 100 or fewer persons). The interest rate is currently 3%, however the PIDA board can adjust the interest rates to as low as 0%.

- Seattle, Washington

The City of Seattle has also expanded its Small Business Stabilization Fund to help supplement the SBA loan program. Eligible small businesses will receive a grant of up to \$10,000

- Paycheck Protection Program Overview

The CARES Act establishes a new Paycheck Protection Program to let small business, nonprofits, and individuals seek loans through the Small Business Administration (“SBA”)

7(a) loan program. The program authorizes \$349 billion in total 7(a) lending from February 15th through June 30th for fiscal 2020. It would provide for the SBA to fully guarantee loans under the new program, compared with a 75% or 85% guarantee for standard 7(a) loans.

Loans would be available during the covered period for:

- Any business, nonprofit, veterans group, or tribal business with 500 or fewer employees, or a number set by the SBA for the relevant industry.
- Sole proprietors, independent contractors, and eligible self-employed workers.
- Hotel and food service changes with 500 or fewer employees per location.

The maximum for a 7(a) loan is increased to \$10 million or 250% of the average monthly payroll costs for the prior year and interest rates are capped at 4%.

Recipients could use the loans to cover eligible payroll costs -- including salaries, commissions, regular paid leave, and health-care benefits -- as well as mortgage interest and utility payments. They’d have to make a “good faith certification” that they’ll use the funds to retain workers, maintain payroll, and pay for rent and similar expenses.

They couldn’t use the funds to compensate individual employees at an annual rate above \$100,000, or to

pay for emergency sick or family leave under the second coronavirus response package (Public Law 116-127).

Approved 7(a) lenders could issue covered loans if they determine a business was operating with salaried employees or paid contractors as of Feb. 15.

The measure would provide \$25 million for the Treasury Department to set criteria to allow additional insured banks and credit unions to participate.

The SBA would have to assume that eligible loan applicants in operation as of Feb. 15 were adversely affected by Covid-19, and require lenders to let them defer payments for at least six months and as long as one year.

Recipients of SBA-guaranteed loans under the Paycheck Protection Program could apply for loan forgiveness over eight weeks for eligible payroll costs and for mortgage interest, rent, and utility payments.

The SBA would pay lenders for any canceled debt plus accrued interest.

Loan forgiveness would be reduced for businesses that fire employees or cut their pay. Businesses could receive additional forgiveness for wages paid to tipped employees. Covered loans would have a maximum maturity of 10 years following a borrower's application for forgiveness. The SBA would continue to guarantee remaining balances. Canceled debt would be excluded from borrowers' gross income for tax purposes.

■ SBA Disaster Loan

SBA Economic Injury Disaster Loans "EIDL Loans"

What business are eligible?

- Small businesses
- Agricultural cooperatives
- Most private non-profit organizations
- Small business concern

How does SBA define "business concern"?

Individual proprietorship, partnership, limited liability company, corporation, joint venture, association, trust or cooperative (joint venture < 49 percent participation by foreign business entities), tribal businesses, Employee Stock Ownership Plans with 500 or fewer employees, Sole proprietorships and independent contractors during the covered period (January 31, 2020 –December 31, 2020), and Private nonprofits.

What are these loans?

Working capital loans to be used to pay fixed debts, payrolls, COVID 19 related sick pay, operating expenses (mortgage, rent and other overhead costs) that were paid prior to the disaster. In effort to help overcome the temporary loss of revenue businesses are experiencing.

Cost and Obligations:

- There is no cost to apply
- There is no obligation to take loan

Eligibility:



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- Credit history acceptable by SBA
- Repayment capability by the business and its owners
- Business located in a declared disaster location (ALL US territories are currently eligible)
- Application with existing SBA loans, can qualify for EIDL loan but cannot consolidated with existing loans

Maximum borrowing: Eligible entities may qualify to borrow up to \$2 million in relief funds

Interest rates: are between 3.75% for small business and 2.75% for nonprofit organizations

Terms: up to 30 years

Collateral required:

- Loans exceeding \$25,000 must be secured to the extent possible
- If there is no collateral in the business, SBA will ask for any collateral available by its owners
- No Requirement of a personal guarantee on advances and loans below US\$200,000

Entity Size

What is defined as “small business” eligible for SBA funding ? The relevant small business size standard under SBA regulations (at 13 C.F.R. Part 121), which is usually stated in company’s number of employees or average annual receipts and varies by industry

The SBA assigns a size standard to each NAICS code. Most manufacturing companies with 500 employees or fewer, and most non-manufacturing businesses with average annual receipts under \$7.5 million, will qualify as a small business.

Note (specific to COVID 19):

For eligibility under the Disaster Loan Program, the size of entity is NOT eligibility criteria used to qualifying for the loan. ALL business sizes are encouraged to apply regardless of size.



Tax Tracker

Indirect Tax Measures

■ VAT

The Government is planning to postpone the deadlines for April VAT.

Corporate Income Tax measures

■ Transfer Pricing Reports

The Federal Tax authorities decided to set an extension for all deadlines concerned to International Transactions/ Transfer Pricing. Hence, new due dates will be between 18/05/20 and 22/05/20 and will involve to closed tax periods between 31/12/2018 to 30/09/2019, both dates inclusive.

- Income tax payments - Deductions report for employees/Annual settlement Withholding Agent:

According to the extension of deadline:

- Employees are allowed to file the F 572 Web for annual tax deductions in relation to 2019 until April 30,2020.
- Employers are allowed to file the Annual Income Tax settlement until May 29,2020

Other Taxes

■ Tax Recess

Tax Authorities issued the Resolution 4692/2020 and set an extension of tax recess according to the COVID-19 scenario until April 12-2020

■ Injunction

Until 30-04-2020 , Argentinean Tax authorities will not be able to request for precautionary measures for

companies framed as PYMES (middle and small entities).

- Issuance of Credit and Debit Notes according to Tax Authorities-Invoicing System- Extension:

The General Resolution N° 4688/20 puts off the terms set by RG 4540 until 01/05/2020

Next Deadline to be aware

- Repatriation of financial assets located abroad: The original deadline (31-03-2020) was put off until 30-04- 2020. (Decree 330/2020).
- Wealth Tax – Advance payment for 2019 (taxpayers that own assets abroad as of 31-12-2019): The original deadline (01-04-2020) was put off until 06-05-2020. (General Resolution N°4691)
- Wealth Tax Exemption – Advance payment for 2019 (taxpayers with no assets abroad as of 31-12-2019): The original deadline (01-04-2020) was put off until 06-05-2020. (General Resolution N° 4691)
- Income Tax and Wealth Tax-Advance payment – Installment N°5 The original deadline that takes place between 13/04/2020 and 15/04/2020 is still in force. (no extension has been stated by Federal Tax authorities up to now).
- Corporate Income Tax Annual Tax Return (financial year closed November 2019) The original deadline that takes place between 13/04/2020 and 15/04/2020 is still in force. (no extension has been stated by Federal Tax authorities up to now).



ARGENTINA

Provincial Tax Matters

Argentina is a large country with 24 different jurisdictions, as follows we detail some of the measures issued by the two most important provincial tax authorities up to now:

- **ARBA- BUENOS AIRES PROVINCE TAX AUTHORITIES**
 - **Property Tax- Installment 2º:** The original deadline (14-04-2020) was put off until 14-05-2020.
 - **Turnover Tax- Domestic taxpayers – 3rd installmentº:** The new deadlines will be between 04/05/2020 and 15/05/2020.
 - **Turnover Tax- Domestic taxpayers – Annual Tax Return:** The new deadlines will be between 04/05/2020 and 15/05/2020.
 - **Injunction:** Until May 31,2020 ARBA (Buenos Aires Province Tax authorities) will not be able to request for precautionary measures for taxpayers .
 - **Turnover Tax on Digital Services rendered by non residents:** The new deadline will be until 31/05/2020 inclusive.
- **AGIP- BUENOS AIRES CITY TAX AUTHORITIES**
 - **Non- computable terms for tax procedure:** Days between 01/04/20 and 13/04/,2020 except for terms referred to crimes framed under Tax Criminal Law.

Customs Measures

None

Tax Audits and Controversies

Tax Controversies were suspended during the quarantine period.

Other Measures

- **Payment plan for PYMES-** Extension for signing in

The Federal Government approved an extension from the original term to apply for the payment plan. The new date is 30-06-2020. Such plan allows taxpayers to include tax debts due as of 30/11/2019, as long as taxpayers are framed under Mypime, self-workers and small taxpayers.



Tax Tracker

Indirect Tax Measures

- Excise tax (IPI) and Import Tax (II)

Reduction to zero of II and IPI rates on imports of ethyl alcohol, acids, disinfectants, antiseptic gels, clothing, accessories, safety equipment and protective devices until September 2020.

Social Security Measures

- Contributions to "S System" (Autonomous Social Services)

April to June 2020 rates - 50% reduction. The Government reduced by half the companies' mandatory contributions to the "S System". Only the contribution rates to Sebrae did not change.

- a) National Cooperative Learning Service (Sescoop) - 1.25%
- b) Social Service for Industry (Sesi), Social Service for Commerce (Sesc) and Social Service for Transport (Sest) - 0.75%
- c) National Commercial Apprenticeship Service (Senac), National Industrial Apprenticeship Service (Senai) and National Transport Apprenticeship Service (Senat) - 0.05%
- d) National Rural Learning Service (Senar):
 - 1.25% of the contribution levied on the payroll
 - 0.125% of the contribution levied on the revenue from

the commercialization of rural production owed by the rural producer and by the agroindustry

- 0.10% of the contribution levied on the revenue from the commercialization of rural production due by the individual rural producer and special insured

- Government Severance Indemnity Fund for Employees (FGTS)

- Extension of the FGTS payment period from March to May 2020 may be deferred (postponed) for up to 6 months.
- The FGTS payment of these competencies may also be made in up to 6 monthly installments, with maturity on the seventh day of each month, starting in July 2020, without the impact of updating, fine and charges - reference rate and interest of 0.5 % per month

- Deadline for the March competencies is April 2020.

The government changed the deadline for the payment of the CPP (Employer's Social Security Contribution) due by the companies, related to the March and April 2020 powers, which would take place in April and May 2020, to August and October 2020, respectively.

- March / 2020 - will expire on 8/20/2020 (original expiration on 4/20/2020)



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- April / 2020 - will expire on 10/20/2020 (original expiration on 5/20/2020)

The government did not include in the possibility of extending maturity the amounts due as CPRB (Social Security Contribution on Gross Revenue).

Special Tax regime for qualifying small enterprises

▪ Simples Nacional

Special tax regime applicable to qualifying small enterprises with annual gross income not exceeding BRL 4.8 million. These companies may elect to be taxed under a simplified regime (for purposes of corporate income tax, federal excise tax (IPI), federal social contributions on gross income (PIS and COFINS), state VAT on sales and services (ICMS), tax on services (ISS) and social security contributions).

▪ Collection of federal taxes

Extension of the deadline for payment of federal taxes for up to 180 days:

- Generating event of March 2020, maturing on April 20, 2020 has the maturity extended until Oct 20, 2020.
 - Generating event of April 2020, with maturity on May 20, 2020 has the maturity extended until Nov 20, 2020.
 - Generating event of May 2020, maturing on Jun 22, 2020 has the maturity extended until Dec 21, 2020.
- Simples Nacional - DEFIS and DASN delivery time

The deadline for the delivery of

- a) Declaration of Socioeconomic and Tax Information (DEFIS) and
- b) Simplified Annual Declaration for the individual microentrepreneur (DASN-Simei)

is extended to Jun 30, 2020.

Tax Compliance

▪ Federal Tax Debt Certificate

Extension of the validity period of the federal tax debt certificates and the union's active debt for 90 days, reaching the certificates that are valid on Mar 23, 2020.

- Brazilian Internal Revenue Service (RFB) - Assistance in RFB Units and administrative and procedural measures until May 29, 2020.

All face-to-face assistance must be scheduled, being restricted to the following subjects:

- regularization of CPF (Individual Taxpayer Register); ii) copy of DIRPF (Individual Income Tax Return) and DIRF-beneficiary (WHT return).
- installment payments and installments not available on the internet.
- powers of attorney in the RFB.
- services protocol related to tax regularity at the National Treasury, of rural property, registration of civil construction work, payment rectifications and CNPJ.



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And the following measures are suspended for the same period:

- electronic issuance of billing notice and subpoena for payment of taxes.
- notification of the launch of the tax inspection for individuals.
- procedure for exclusion of taxpayer in installments due to default of installments.
- registration of pending regularization at the CPF due to the absence of a declaration.
- electronic issuance of decision-making orders with the rejection of Perd / Comp (offsetting return), and non-approval of Clearing Statements - payments for granted orders will not be impacted.
- Attorney General of the National Treasury (PGFN)

The following procedures are suspended for 90 days, starting on March 18, 2020:

- period for challenging and appealing decisions Administrative Procedure for Recognizing Liability (PARR).
- deadline for submitting nonconformity statements and appeal for exclusion from the PERT.
- term of early offer of guarantee in tax execution, deadline for submission of Request for Inscription of Registered Debt (PRDI) and appeal against the decision that rejects it.

- presentation of protest of active debt certificates.
- establishment of new PARR administrative procedures.
- initiation of procedures for the exclusion of taxpayers from installments due to default of installments.

▪ EFD delivery deadline Contributions

The extension of the EFD delivery deadline Skills contributions February, March, April / 2020 to 14/07/2020.

▪ DCTF delivery time

The extension of the DCTF delivery deadline for February, March, April / 2020 competencies to July 21, 2020.

Special tax instalment

- Attorney General of the National Treasury (PGFN)

Extension of the installment request, until April 15, 2020, of debts registered in the union's active debt, with the following conditions:

- down payment corresponding to 1% of the total amount of debts to be transacted, divided into up to 3 equal and successive installments, 2% for inscriptions already in installments.
- installment of the remainder in up to 81 months, with individuals up to 97 months, individual entrepreneur, microenterprise or small business.



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- deferral of payment of the first installment of the installment payment to the last business day of June 2020.

Brazilian Central Bank

- Brazilian Capital Abroad Return - CBE

The deadline for submission of the Annual Brazilian Capital Abroad Return (CBE) has been extended from April 5 to June 1, 2020.

The return is mandatory for individuals and legal entities resident, domiciled or headquartered in the country, who hold assets and rights equal to or greater than USD100 thousand, or equivalent in foreign currency, outside Brazil.

Customs clearance

- Medical-hospital products - Simplified Customs Clearance on Import.

Several goods (list of NCMs attached to IN RFB 1,927/2020) may be released before the conclusion of the customs conference, while the emergency lasts. This also extends to capital goods and raw materials.

- Single Foreign Trade Portal (Portal Único de Comércio Exterior). Covid-19 Combat Products.

It allows exporters to centralize license requests and export authorization for products with automatic and non-automatic licensing.

Credit line for payment of wages

- Small and Medium Business - This line of financing must comply with the following guidelines:

- the financing will be available to companies with revenues between BRL 360 thousand and BRL 10 million per year.
- the 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.

Emergency aid to self-employed and informal workers

- Self-employed and informal workers

Payment of an emergency aid for 3 months, in the minimum amount of BRL 600.00, destined to self-employed, informal and without fixed income during the pandemic.

The Federal Government has not yet informed the payment start date.

Federal taxes

- Rate reduction

The IOF rate on credit operations for 90 days has been reduced to zero (period between April 3, 2020 and July 3, 2020)

- Deadline for the March competencies is April 2020.

The Government changed the deadline for payment of PIS / PASEP and COFINS owed by companies, related to the March and April 2020, which would take place in April and May 2020, to August and October 2020, respectively.



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- March / 2020 - will expire on Aug 25, 2020 (original expiration on April 24, 2020)
- April / 2020 - will expire on Oct 23, 2020 (original expiration on May 25, 2020)

Individual Annual Income Tax Return

The extension of the (i) DIRPF delivery term and (ii) the maturity of the first or single quota to 06/30/2020.

Labor

- Simplification of specific labor measures

The Provisional Measure 927 of March 22, 2020 was enacted, foreseeing the simplification of:

- Teleworking
- anticipation of individual holidays
- collective vacations
- anticipation of holidays
- Bank of hours
- Safety and occupational health
- extension of the working day.
- Workload reduction program and partial payment of wages by the government

The government enacted the Provisional Measure 936, disciplined labor measures aimed at maintaining jobs, among which the following stand out:- the payment of an Emergency Employment and Income Preservation Benefit.- the proportional reduction of working hours and wages.- temporary suspension of the employment contract.

Measures already announced by the Government pending regulation

- Extraordinary Tax Transaction Law

The MP 899 brings the figure of the transaction, hypothesis of extinction of tax credit (taxpayer debt), through negotiation between tax authorities and taxpayers for dispute resolution and extinction of tax credit, as provided for in articles 156 and 171 of the National Tax Code (CTN). The transaction cannot reduce the principal amount, and may have the following:

- granting a discount on debts registered in active debt, when classified as irrecoverable or difficult to recover.
- term and payment methods, including deferral and moratorium.
- offering, replacing or disposing of guarantees and constraints.

The initial text states that the negotiation proposal would be at the discretion of the PGFN or the debtor. The proposal also seeks to resolve tax and customs disputes disseminated by legal controversy, based on the manifestations of the National Attorney General's Office (PGFN) and RFB.



Tax Tracker

Indirect Tax Measures

- VAT

Postponement of the payment of VAT tax for the next 3 months (April, May and June 2020) for companies with sales of less than USD 12.1 Million per year. According to the size of the company, it will be possible to pay the VAT from July 2020 onwards in 6 or 12 installments with a 0% interest rate.

Corporate Income Tax measures

- Provisional Monthly Payments (PPMs):

Suspension of the Income Tax PPMs for the next 3 months (i.e. PPMs to be paid in April, May and June 2020).

- Income Tax Refund for PYMES (SMEs):

Income tax refunds will be anticipated for SMEs (income up to USD 2.6 Million per year) and be paid in April 2020.

- Postponement of income tax payments for PYMES (SMEs):

Payment of income tax by SMEs is postponed until July 2020, depending on the declaration made in April 2020 (no postponement of tax declaration).

- Expenses:

All the expenses of the companies facing the sanitary contingency, will be allowed as a tax expense.

- Personal Income Tax (PIT)

Accelerated PIT refund for self-employed (April 2020 instead of May 2020).

Other Taxes

- Stamp Tax

Temporary reduction to 0% of the stamp tax rate (currently of 0,8%) on all loans/credit transactions for the next 6 months (also applicable to individuals).

- Real Estate Tax

Deferral of VAT payments for the next 3 months. Applicable to businesses with sales of less than c. USD \$12.1 million. They will be able to pay the VAT in 6 to 12 monthly installments (depending on their size) at a 0% interest rate.

Customs Measures

None

Tax Audits and Controversies

- Tax audits

Chilean IRS will reschedule certain terms for Tax Audits

Information and documents for tax audits will be filed on the e-file of the tax payer.

- Tax Controversies

Implementation of system of e-files and processing in Tax Courts.

Other Measures

- Tax debts with National Treasure

Flexibility measures for tax debts payments of low-income individuals (flexible payment agreements, with no interest nor penalties).

- Flexibility in Affidavits Deadlines:

Greater flexibility will be granted in the deadlines for filing affidavits.



Law Tracker

Real estate law measures

Maximum prices are established for the renting of real estate used to confront the epidemic.

Corporate measures

A distance voting system is regulated by the Commission for Financial Market for shareholders, bondholders and capital investors meetings (General Ruling 435 of March 18, 2020). An online system will be implemented to adduce force majeure which prevents holding meetings or assemblies before the Commission for Financial Market.

Labour law measures

National government suggested employers to adopt alternative measures to comply with contractual obligations, such as telecommuting (a law addressing this subject was enacted -see below), deferred entry and exit hours, collective holiday, anticipation of the legal holiday benefit, shift work, avoid crowds, limit the amount of users or clients with respect to each dependent whose work involves direct attention to public.

Administrative rulings specified that the employer's failure to adopt the measures dictated by the health authority to prevent Covid-19 infection in workspaces could be considered a serious and imminent risk situation for the life and health of the workers, which allows workers to interrupt job duties and even initiate legal action against the employer in

the event of any damage.

An administrative ruling stated that administrative non-essential economic activities that are carried out in places subject to quarantine or sanitary cords may be in the condition of "fortuitous event or force majeure", so the obligations of the employment relationship are suspended (Labour administrative ruling 1283/006 dated March 26, 2020)

On March 26th, 2020 Law N° 21.220 amends the Labour Code to add the regulations for Distance Working System. These amendments create the legal figure of telework/telecommuting together with regulating its operation, granting workers all labour rights compatible with this type of work.

A new law has been enacted on March 31, 2020 allowing workers who cannot perform their work remotely, to be able to withdraw a portion of the funds collected by their unemployment insurance for as long as the obligations of the employment contract are suspended.

Industrial property law measures

None

Regulatory measures

None

Insurance Law measures

None

Litigation measures

Supreme Court regulated remote work for court officials and issued rules for the online conduction of hearings.



CHILE

Commercial law measures

15-day extension of the deadline for the presentation of the 2019 annual audited financial information that the supervised entities must disclose and send to the Commission for the Financial Market in March of this year. (CMF, Circular 1142, March 24, 2020)

Regulations of the Commission for the Financial Market (Resolution dated March 23, 2020) to facilitate the flow of credit for companies and households:

1. Regulatory treatment that facilitates the possibility of deferring up to three instalments the payment of mortgage loans.
2. Facilities for banks to allow flexible loan instalments to SME debtors for up to 6 months, without this being considered a renegotiation.
3. Possibility of using surplus mortgage guarantees to guarantee loans to SMEs.
4. Extension of 18 months of the term to execute the alienation of goods received in payment.
5. Modification to the treatment of the cash amount that banks must constitute in guarantee for the margin of variation of derivative operations bilaterally compensated.

Energy law measures

A suspension is provided, from March 23 to 31, 2020, of all the administrative sanctioning procedures followed before the Superintendence of the Environment; as well as all the

actions related to the exercise of the regulatory, supervisory or sanctioning powers of such Superintendence.

Imposes on Environmental Qualification Resolution (RCA) holders the duty to report weekly the operational condition of the project or activity concerned.

Other law departments measures

Concerning Fishing's Law the following measures have been taken:

1. Upon request, the beginning of the sanitary rest may be postponed or advanced, extending or reducing the production period.
2. Upon request and indication of the number of days required for the specimens to enter the process, the term of stay in the collection centers may be extended.
3. Postpone and extend planting periods.
4. Once the harvest has been carried out, the period established for the start and end of the cleaning and disinfection procedure of the center's structures may be extended.
5. Postpone sampling for environmental reports in centers where they cannot be carried out.

Tax measures are implemented to support individuals and SMEs, such as the postponement of the VAT payment of the next 3 months for all companies with sales below USD 11.800 app, allowing them to pay in 6 or 12 monthly instalments and potentially at a zero real interest rate.



CHILE

In addition, the payment of the income tax refund that corresponds to SMEs is anticipated to occur in April.

Also, the tax authority granted deadline extensions for filing certain affidavits.

Customs' measures

Controversies

Other measures

Declaration of State of catastrophe, initially for 3 months (until June 18).

Sanitary Customs have been established in all the entrances to the country and in some specific regions. Mandatory lockdown has been established for some specific communes and curfew for the full territory daily from 10:00 pm to 5:00 am. Proceedings for obtaining safe passages are available, but only applicable under specific circumstances and for a limited period of time.



Tax Tracker

Indirect Tax Measures

■ VAT

The import of equipment, spare parts and, medical supplies to respond to the COVID-19 crisis, regardless of their origin, will not be subject to VAT.

The filing and payment of the VAT return for the first bi-monthly period and the first four-monthly period of the year 2020, was extended for the month of June, for taxpayers in the tourism and restaurant sectors.

No changes in the regime of consumption tax in restaurants.

Corporate Income Tax measures

The filing and payment of the income tax return for all companies in Colombia were postponed for one month. Due dates would be from May 15.

Other Taxes

Property taxes (property and vehicle) and municipal income taxes (industry and commerce) have been postponed to the second half of 2020, only in some municipalities.

Customs Measures

The import of equipment, spare parts and, medical supplies to respond to the COVID-19 crisis, regardless of their origin, will not be subject to customs duties.

Tax Audits and Controversies

All tax procedures and formalities have been suspended indefinitely until the health emergency is over.

Tax refund procedures will continue and will be resolved promptly to support taxpayer cash flow.

Other Measures

The electronic filing of national taxes for the year 2019 will take place from May 2020 onwards and not in April as had been established.



Tax Tracker

Indirect Tax Measures

Tax authorities promise to refund VAT as soon as possible, however there is nothing official, regular schedule ascend to 40 working days.

Corporate Income Tax measures

- Provisional Monthly Payments (PPMs):

March installments shall be paid before April 17th , Until April 7 no extension has been granted.

- Corporate Income Tax Returns:

Income tax return for corporations were submitted on March 31st not extension has been granted.

- Individuals Tax Returns:

Payment of income tax and the assessment of submit shall be fulfil on the April 2020, Until April 7 no extension has been granted.

Other Taxes

- Payroll Tax Payment

Payment deferred during March and April depends on each state, discounts on payment from 5% to 100% these will depend by each state, there are some States that are not granting any deferral or discount.

- Property Tax

Payment extension deadline in most states was February or March, extension varies according to the State (April-June)

- Lodging and accommodation Tax

Payment deferred during March and April depends on each state, discounts

on payment from 20% to 100% these will depend by each State.

Customs Measures

None

Tax Audits and Controversies

SAT offices remain open during the emergency, since Federal Government considers tax collection as an essential activity, however they decreased the number of staff available to attend taxpayers, the services provided in the offices are related to tax collection, electronic signature, obtain tax ID (RFC). Other procedure can be done trough the web service of SAT such as: attend audits and submit notices.

SAT (Mexican Tax Authorities) has not suspended deadlines for tax audits.

Other Measures

- Measures Concerning The Protection Of Labour Income

Government ordered to corporations the immediate temporary suspension of all other activities considered as non-essential from March 30th to April 30th , however a list of activities considered as essential were published in other to keeps the Mexican Economy working, some of the activities considered as essential are the following:

- Finance
- Internal Revenue Services (SAT)
- Oil and Gas
- Water and Energy services
- Food and beverages
- Supermarket
- Telecommunications



MEXICO

- Logistic
- Among others

It is mandatory to Guarantee payment of income for all employees, not meeting this requirement could cause penalties to taxpayers.

This guarantee will be granted as long as the Health authority does not decree a health contingency.

Once this conditions is met, the worker will start receiving a minimum wage by the employer and this payment will not exceed of one month, according to the rules of use in force, but maintaining the employment relationship and all his labor rights.

■ House Funding (INFONAVIT)

House Funding payments in charge of the employees could be covered by the unemployment insurance only for those employee who lost their jobs from (April to June), an application needs to be fulfilled.

Payment of mortgage credit could be differed for employees from 3 to 6 months with not additional interest, an application needs to be fulfilled.

Benefit by 25% by the monthly payment withheld by the employer for the payment of the mortgage credit if the employer goes into technical shutdown.

■ Social Security (IMSS)

The Social Security offices will remain closed since March 31st until the health emergency is over, any notice, audit or procedure will not count during this period..

There are also several notices or procedures that can be attended through the IMSS website.



Tax Tracker

Indirect Tax Measures

■ VAT

The due dates for filing the General Sales Tax (the Peruvian VAT) return pertaining period February 2020 have been extended from March until June 2020 (the exact date depends on the taxpayer's Tax ID number), but only for taxpayers reporting a maximum revenue of S/ 9,660,000 (approx. USD 2,822,000) during year 2019.

The due dates for filing the General Sales Tax (the Peruvian VAT) return pertaining periods March and April 2020 -originally due in April and May, accordingly- have been extended until June 2020 (the exact date depends on the taxpayer's Tax ID number), but only for taxpayers reporting a maximum revenue of S/ 21,000,000 (approx. USD 6,134,970) during year 2019.

■ Other

The above mentioned extensions also apply to the report of other monthly obligations such as Non Residents Income Tax withholdings.

Payroll taxes are not comprised within those extensions (other special provisions apply).

■ Refund applications

Corporate taxpayers could request access to the funds deposited in their VAT drawdown account opened at the State Bank. Refund requests can cover funds available up to March 15, 2020 and must be submitted between March 23 and April 7, 2020.

Corporate Income Tax measures

■ Annual CIT Report

Originally, the due dates for filing the Annual Income Tax Return pertaining fiscal year 2019 were extended from March/April 2020 until June/July 2020 (the exact date depends on the taxpayer's Tax ID number), but only for taxpayers reporting a maximum revenue of S/ 9,660,000 (approx. USD 2,822,000) during year 2019.

Subsequently, the extension has been expanded to taxpayers reporting a maximum revenue of S/ 21,000,000 (approx. USD 6,134,970) during year 2019.

■ Monthly CIT Pre-payments

The due dates for filing the CIT pre-payments pertaining periods February, March and April 2020 - originally due in March, April and May, accordingly- have been extended until June 2020, but only for taxpayers reporting a maximum revenue of S/ 9,660,000 (approx. USD 2,822,000) during year 2019.

Other Taxes

Each Municipal Government shall issue its own regulations.

Customs Measures

■ Tariff Rates

During the National State of Sanitary Emergency (currently set until June 9, 2020), the tariff rates of 77 subheadings pertaining essential products to prevent and combat COVID-19 have been reduced from 6%-11% to 0%.



PERU

- Authority to Chose not to Impose Sanction

The Custom Authorities shall not impose fines for customs violations for failure to provide, display, and transmit information or documents or to provide information correctly or incompletely, provided that i) they were committed between March 12, 2020 and June 9, 2020, ii) the intervening operator or third party is within the scope of the rule, and (iii) the omitted or correct information has been transmitted or recorded.

Tax Audits and Controversies

- Tax

From March 16 until April 27, the computation of the processing times for administrative procedures in motion subject to positive and negative silence has been suspended.

From March 23 until May 6, the calculation of the period for initiating and processing administrative procedures has been suspended, including the deadlines for filing appeals before the Tax Administration and the Tax Court, conducting audits, processing contentious and non-contentious appeals related to tax matters, resolving cases, etc.

- Custom

Customs administrative procedures initiated before March 16, 2020 have been suspended for 30 business days.

Audit procedures and the term for submitting tax claims have also been suspended until the National State of

Emergency ends (currently set until April 26, 2020).

Other Measures

- Tax Deferrals

Taxpayers with tax payment deferrals or installments of the tax debt approved before March 15, 2020, will not lose the benefit in case of a default in the payment of March and April 2020 installments, provided they are paid including late interests until May 29, 2020.

- Authority to Chose not to Impose Sanction

The Tax Authorities shall not impose fines for tax violations committed or detected as of March 16, 2020 while the National State of Emergency lasts (currently set until April 26, 2020).

- Interest Rates

The monthly moratoria interest rate applicable to tax debts has been reduced to 1% (Local Currency) and 0.5% (Foreign Currency). The one applicable to refund requests connected with wrongful payments has been decreased to 0.42% (Local Currency) and 0.25% (Foreign Currency).

- Other Formal Obligations

The filing of Informative Affidavits, accounting books and records and other formal obligations before SUNAT originally set for -March up to May 2020, accordingly- has been postponed until May and June 2020, applicable only to taxpayers reporting a maximum revenue of S/ 21,000,000 (approx. USD 6,134,970) in year 2019.



PERU

■ Impending Legislation

On March 26, the Congress granted legislative powers to the Executive Branch, to legislate, among others, on tax matters, taking into account the emergency context and the subsequent economic recovery. The main topics that will be developed by the Executive Branch are: i. Extension of the VAT refund regime applicable to the acquisition of capital goods; ii. tax deferrals for sectors impacted by the COVID-19; iii. Amendments to the CIT pre-payments system; iv. Allowable CIT deductions for donations; v. Accelerated depreciation for certain assets; vi. Extension of the term applicable to the NOLs carryforward systems.



Law Tracker

Real estate law measures

Under the National State of Emergency, Municipal Governments are publishing rules allowing taxpayers to defer the payment of the first quarterly installment of the Real Estate Property Tax. They are also applying discounts or waiving interests provided that certain conditions are fulfilled.

Corporate measures

In view of the isolation measures implemented by the Government under the National State of Emergency period, the general shareholders' meetings that have been called to meet on a date that is within the latter period, may not be held, except in the case of sessions called for off-site use, in cases where this modality is allowed either by statute or by the General Companies Act (as is the case of closed public limited companies).

The Banking and Insurance Regulator ("SBS") has issued a report for companies under its supervision, establishing that in view of the impossibility of the general shareholder's meetings occurring in a timely manner during the State of Emergency period, the annual mandatory meetings may be held afterwards, without prejudice to the possibility for the institutions to hold them by alternative means to face-to-face meetings.

Notary services has been suspended. The Public Registry has issued a statement noting that its offices will

not provide service in person and that the expiration dates of procedures are suspended until attention to the public is regularized.

Labour law measures

During the State of Emergency period, the Peruvian government made remote work regulations more flexible. Under those, employers are able to unilaterally implement remote work provided they comply with specific conditions. This is mandatory for employees that are at risk due to their age or other clinical factors; otherwise, if they cannot work from home due to the nature of the services they render, they are entitled to paid leave but should make up for the hours comprised, once the quarantine period is over. Special remote work regulations do not apply to employees diagnosed with COVID-19 or other medical condition. Medical leave provisions will apply in the latter case. If the employee receives a monthly remuneration no greater than S/ 2,400 (approx. USD 692), a temporary disability benefit is payable by the Government from the first day.

Other employees that cannot work from home due to the nature of the services they render are also entitled to paid leave, subject to the terms agreed by the parties or, in absence of the latter, to the compensation of the hours that they did not work.

Employees of companies that are related to the provision of essential services or goods must obtain a "special transit pass" through a digital platform.



PERU

They should carry said pass (a printed copy or a screenshot) while commuting to work, as well as their: (i) ID; and, (ii) company badge.

Salaries in April will not be subject to the withholding and payment of the mandatory contribution (10%) and commission that are withheld on a monthly basis to employees affiliated to the Private Pension System.

Qualified employers from the private sector will be entitled to a 35% subsidy for each employee with a salary not exceeding S/ 1,500 (approx. USD 432).

Employees are entitled to withdraw up to S/ 2,400 (approx. USD 692) from the funds deposited by their employers in a Severance Guarantee (CTS) Bank Account.

An extraordinary bonus for healthcare workers has been set in S/ 720 (approx. USD 208). It will be paid on a monthly basis while the Sanitary Emergency State lasts and also during the following 30 days.

Industrial property law measures

The Regulatory Agency's online submission platform has been enabled. However, since its physical facilities are closed, the submission will not be processed until the institution's activities are re-established.

Virtual trademark renewal and background search services are available. However, the virtual trademark registration service is disabled.

In compliance with the emergency measures, the deadlines have been suspended from 16 March 2020 until May 6, 2020.

Regulatory measures

None

Insurance Law measures

None

Litigation measures

The Executive Council of the Judiciary has declared the suspension of all procedural time limits for the period of 15 calendar days, as well as the suspension of all work of the Judicial Branch on a national level.

Certain Judicial Courts of Lima using electronic case files connected with Civil, Commercial, Tax and Labor matters are entitled to work remotely.

Commercial law measures

Only those companies that provide essential services such as supermarkets (only shipping of groceries, perishables, and staples) and pharmacies are entitled to provide delivery service.

All activities in malls and shopping centers are suspended. Activities of restaurants and other food consumption centers are also suspended.

Energy law measures

The electricity sector continues to work during the emergency period. Considering the special context, its Regulatory Agency has issued a Protocol for the Supervision of activities to its load during the State of Emergency period of COVID-19.



PERU

The activities of the ministry and its attached public bodies (Ingemmet and IPEN), as well as public attention are suspended. In this regard, administrative procedures and processes of prior consultation are put on hold.

Other law departments measures

■ AERONAUTICAL LAW

The General Direction of Civil Aeronautics has been exceptionally authorized to give necessary authorizations or permits for the repatriation of nationals and foreigners to their respective countries. This authorization is made only at the requests of the Foreign Affairs Ministry. Peruvians who return to the country due to the exceptional opening of borders must comply with the mandatory social isolation in accordance with the instructions given by the Health Ministry.

■ FINANTIAL LAW

A Fund for Business Support of Micro and Small Enterprises (FAE-MYPE) has been created to guarantee working capital loans, as well as to allow them to restructure and refinance their debts, for which the Ministry of Economy and Finance would transfer S/ 300 million (approx. USD 86 million) to the fund.

A special program called Reactiva Peru has been created by the Government, under which the Public Treasury will provide a guarantee of S/ 30,000 million (approx. USD 8,650 million) to finance enterprises, under specific conditions and subject to certain limits per beneficiary.

Members of the Private Pension System who did not register contributions from September 2019 up to February 2020 are entitled to withdraw up to S/ 2,000 (approx. USD 576) in April 2020.

The Banking Regulatory Agency has established an extension of 30 additional calendar days from the date of expiration of the legal period for the protest of securities, provided some conditions are fulfilled. The benefit applies to securities for which the protest deadline is until 30 April 2020.

The Banking Regulatory Agency has also authorized financial entities to reschedule the payment of their clients' debts in the context of the coronavirus health problem. The plan applies to clients of the financial system that have not presented delays at the time of the emergency declaration.

The Stock Market Regulatory Agency has established new deadlines for the delivery of financial information 2019 and 2020, which run from June until August 2020.

■ CRIMINAL LAW

It is exempt from criminal liability the personnel of the Armed Forces and the National Police who, in compliance with their constitutional function and in use of their arms or other means of defense, in a regulatory manner, cause injury or death.



Customs' measures

Import and export operations are not restricted or limited, and foreign trade operators and public entities involved in these activities must continue to provide services to users, in order to allow the logistical flow of goods to and from the country.

During the National State of Sanitary Emergency (currently set until June 9, 2020), the tariff rates of certain subheadings pertaining essential products to prevent and combat COVID-19 have been reduced from 6%-11% to 0%.

The Custom Authorities shall not impose fines for customs violations for failure to provide, display, and transmit information or documents or to provide information correctly or incompletely, provided that i) they were committed between 12 March 2020 and June 9, 2020, ii) the intervening operator or third party is within the scope of the rule, and (iii) the omitted or correct information has been transmitted or recorded.

Controversies

Administrative procedures subject to positive and negative administrative silence are suspended for 30 business days starting on 21 March 2020, and this must be followed by all public sector entities. This exception can be restricted by the Executive Branch by means of a Supreme Decree.

Other measures

On 15 March 2020, the Peruvian Government declared a National State of Emergency and quarantine

period, due to the serious circumstances which affect the life of the Nation as the result of the outbreak of COVID-19. The State of Emergency is in effect since 16 March 2020 and is expected to last until 12 April 2020.

A curfew applies since 18 March 2020 running from 8:00 p.m. to 5:00 a.m. On 31 March 2020, the curfew was amended from 6:00 p.m. to 5:00 a.m. for most of the cities, excluding four that are subject to a more restricted timeframe.

Moreover, starting on 3 April 2020, the transit restrictions outside curfew hours have increased, and a calendar has been established to allow transit for special needs (foods, medicine) based on gender only from Monday until Saturday. In addition, a prohibition of transit has been set for 9 and 10 of April (Thursday and Friday of Easter week).

These transit restrictions do not apply to employees of companies that are related to the provision of essential services or goods.



Tax Tracker

Indirect Tax Measures

- VAT

Minimum VAT payments for "small businesses" in February and March differ to May and can be paid in 6 monthly and interest-free installments. With regard to other societies, no news so far.

Corporate Income Tax measures

None

Other Taxes

None

Customs Measures

None

Tax Audits and Controversies

None

Other Measures

Since 13 March, the Government has passed several labour standards to mitigate the consequences of COVID-19, which we detailed below:

- Safety and Health

The Ministry of Labour and Social Security (MTSS) through various norms established that the employer should write protocols for prevention, control and action before COVID-19 with measures and actions that companies must implement to prevent the risk of COVID-19 contagion in the workplace and how to act in suspected cases.

- Partial unemployment allowance

MTSS created a special partial regime of unemployment subsidy of a temporary nature.

It allows the entry access to the unemployment benefit to monthly workers in all sectors of activity who are in partial suspension of activity.

The amount of the subsidy paid by the Social Welfare Bank (BPS) is equivalent to 25% of the monthly average of the remuneration received by employees.

The deadline for this special scheme is 17 April, but the Government has announced that it will be extended until 31/05/2020.

- Sickness allowance

Workers who must remain in compulsory quarantine due to the risk of contracting or infecting the COVID-19 virus and who are covered by the sickness subsidy scheme shall receive the corresponding benefit from the BPS during the quarantine period. The amount of sickness allowance paid by the BPS amounts to 70% of employees' remuneration

- 2020 Annual Leave

The MTSS exceptionally authorized the advancement of the annual leave generated during the year 2020, following the health emergency, for this purpose, there must be a written agreement between the company and the worker.

- Solidarity Fund (Measures not yet approved)

The government established that it will tax "temporarily" on remuneration and retirements derived from Civil servants that exceeding a certain income.



Tax Tracker

Indirect tax measures

Ultimate importation

- Ultimate importation of masks, caps and other inputs related to the COVID-19 prevention are VAT exonerated.

Corporate income tax

Tax Exoneration.

- Presidential Decree was published by which the territorial income obtained in the fiscal year 2019 by individuals (natural persons) residing in the country, whose normal salary or income from their activity is less than three minimum wages in force as of 12/31/2019, their ISLR payment will be exonerated. The beneficiaries of this Decree who have already paid in full or in part the ISLR will be creditors of applicable tax credits in subsequent fiscal years.

Other taxes

Extension or deferral of tax payments.

- No extension or deferral of tax payments managed by the National Government, except for certain municipalities that have decided to defer tax reporting.

Customs Measures

Ultimate importation.

- Ultimate importation of masks, caps and other inputs related to the COVID-19 prevention are custom duties exonerated.

Tax Audits and Controversies

Venezuelan Superintendence of Banks (Sudeban)

- Six-month suspension of principal and interest payments on all bank credits.
- Sudeban has been instructed to implement a special regime for current loans.
- All banking activities involving direct customer/user services, and general public through agencies and offices in the country are suspended, though e-banking operation is guaranteed.
- The banking sector shall prioritize the access to credit in favor of agricultural, food, pharmaceutical and hygiene product sectors.

Other measures

Venezuelan Public Bodies.

- Some public bodies, such as the Tax Administration, are working part-time.
- Suspension of judicial lapses and court activities until 14/04/2020. Neither notaries public nor public registries are working.



Law Tracker

Real estate law measures

Six-month freeze on commercial premise and primary residential rents.

Corporate measures

No extension, exemption or deferral of tax payments managed by the National Government, except for certain municipalities that have decided to defer tax reporting.

Labour law measures

The labor immobility rule has been ratified, although it was already in effect until December 31, 2020. The government will take charge of the payroll of public and private employees of small and medium-sized enterprises through the Homeland Card (Carnet de la Patria). School and academic, and labor activities are suspended nationwide.

Industrial property law measures

All public events, exhibitions, concerts, conferences, showrooms, sport events and any kind of public gatherings are suspended nationwide. Spaces such as parks, beaches and resorts are ordered to be closed to the public, whether public or privately managed.

Regulatory measures

Six-month suspension of principal and interest payments on all bank credits.

The Superintendence of Banks (SUDEBAN) has been instructed to implement a special regime for current loans.

The banking sector shall prioritize the access to credit in favor of agricultural, food, pharmaceutical and hygiene product sectors.

All banking activities involving direct customer/user services, and general public through agencies and offices in the country are suspended, though e-banking operation is guaranteed.

Suspension of judicial lapses and court activities until 14/04/2020. Neither notaries public nor public registries are working.

Some public bodies, such as the Tax Administration, are working part-time.

Insurance Law measures

None

Litigation measures

None

Commercial law measures

Suspension of employment activity, except for food supply chains (supermarkets, grocery stores, only food delivery centers), healthcare and sanitation services (pharmacies), and their suppliers and wholesalers.

Energy law measures

None

Other law departments measures

Mandatory confinement or quarantine nationwide since March 13, with circulation restrictions, except for emergencies, purchase of medicines and food and only within the same municipality.

The delivery of food and bonuses to less-privileged class is announced.

Gas supply is restricted



VENEZUELA

Safe-conduct is required for crossing municipalities and states.

All flights from and towards the Venezuelan territory are suspended.

Protective mask-wearing covering nose and mouth is mandatory in public transportation, bus stations, terminals, public spaces, clinics, hospitals, supermarkets and other public places.

Customs' measures

Ultimate importation of masks, caps and other inputs related to the COVID-19 prevention are VAT- and customs duty- exempted.

Controversies

None

Other measures

The delivery of food and bonuses to less-privileged class is announced.



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