# Measures to mitigate the economic impact of the COVID-19 outbreak

**European measures**

**Commission**

On 13 March the Commission presented a package of measures:

* Use of all possible flexibility of Stability and Growth Pact, including its temporary suspension – this means that there will be no limitation for public expenditure for crisis measures, including those for SMEs – all crisis measures will not count for the budget rules. In addition the European Commission proposed on 20 March to use the “General Escape Clause” of the Stability and Growth Pact, which means that national governments can inject as much money in the economy as needed, which has been agreed by the ECOFIN on 23 March.
* Corona Respond Investment Initiative – for 37 bn investments – Member States will not have to pay back unused money received from regional and social funds, if it is used for crisis measures and can be used to co-finance other projects from the regional/social funds. Furthermore, an easy way to change the operational programmes will be provided. On 26 March, the European Parliament approved the proposal which the Council finalised on 30 March. The money can be disbursed as of 1st April. See text of the legislative act [here](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2020.099.01.0005.01.ENG&toc=OJ:L:2020:099:TOC).
* 1bn budget guarantee for 100.000 SME/small mid-cap to provide liquidity – via the EIF – this measure will be implemented via national intermediaries – same procedure as for COSME financial instruments.
* State aid: allowing extended support by using Art 107 (2) b – extraordinary circumstances – 107 (3) b – exceptional distortions of the economy (currently only for Italy)

In order to approve such measures DG Competition offers fast track approval and a7/7 hotline to provide advice and templates for schemes which work

* Ensuring bank lending by allowing capital relieves for banks – supervisors will allow banks to work with reduced capital requirements – either less amount or lower quality as regards their regulatory capital requirements.
* Funding H2020 reoriented towards research virus

See [press release](https://ec.europa.eu/commission/presscorner/detail/en/ac_20_466)

**TEMPORARY FRAMEWORK ON STATE AID:**

* On 19 March 2020, the Commission published the announced “Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak”.
* The “[Temporary Framework for State aid](https://ec.europa.eu/competition/state_aid/what_is_new/sa_covid19_temporary-framework.pdf)” can be used for support measures since 1 February 2020 until the end of 2020. The main elements are:
* State aid under this framework can only be given to companies which have not been in difficulties on 31 December 2019.
* Up 800.000 can be given for everything (quasi deminimis), if it is based on a scheme with a fixed budget – special rules for processing and marketing of agricultural products.
* Guarantees and subsidised loans :
	+ Up to double of the annual wage bill or 25% of total turnover or the proved liquidity needs for the next 18 month (SMEs)
	+ The minimum premia for guarantees or the minimum interest rate for loans (IBOR + minimum) has to be:



*…. with 100 basis points (bps) = 1%*

* The maximum maturity of guarantees and loans is 6 years and both have to be provided before end 2020.
* The maximum level of a loan guarantee is 90%, if losses are shared equally and 35% if the first pieces of loss is taken
* Both can be used for investments and working capital.
* In addition the framework gives orientation for export credit schemes and support for loans distributed by banks.
* On 27 March the European Commission decided to temporarily remove all countries from the list of 'marketable risk' countries in the [Communication on short-term export-credit insurance](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52012XC1219(01)). The amendment reinforces the flexibility introduced by the Commission's temporary State aid framework to allow state insurers to provide insurance for short-term export credit.
* The Commission proposes / consults to extend the temporary State aid framework by allowing:
* increased support for coronavirus related research and development to address the crisis;
* more support for the construction and upgrading of testing facilities for products relevant to tackle COVID-19 (vaccines, medical equipment or devices, protective material and disinfectants);
* more support for the production of relevant products (vaccines, etc.);
* targeted support in the form of deferral of tax payments and/or suspensions of employers' social security contributions to help avoid lay-offs due to the crisis in specific regions or sectors that are hardest hit by the outbreak;
* targeted support in the form of wage subsidies for employees to help avoid lay-offs due to the crisis in specific regions or sectors hit hardest by the outbreak.

Final decision is expected for the end of this week.

**COMPETITION**

* The competition authorities in the European Competition Network (European Commission, European Surveillance Authority and EU/EEA national competition authorities) issued a [joint statement](https://ec.europa.eu/competition/ecn/202003_joint-statement_ecn_corona-crisis.pdf) on Monday 23 March on how to apply the European competition rules during the crisis. The authorities underlined that EU competition rules are flexible enough to take into account changes in market circumstances such as those triggered by COVID 19. Companies requiring further guidance are encouraged to contact the national competition authorities or the Commission for further advice.
* On 25 March, the European Commission issued [guidelines](https://trade.ec.europa.eu/doclib/docs/2020/march/tradoc_158676.pdf) to guide Member States on foreign direct investment and free movement of capital from third countries, and to protect Europe’s strategic assets in a time of public health crisis. See [Press release](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_528).
* On 30 March, the European Commission launched a website to provide guidance to companies, associations, and their legal advisers seeking to determine the compatibility of European level cooperative initiatives with EU competition law;

**MEDICAL EQUIPMENT:**

* On 13 March the Commission adopted a [Recommendation](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.LI.2020.079.01.0001.01.ENG) on conformity assessment regarding personal protective equipment (PPE) and medical devices. It provides that under specific circumstances some medical devices and PPE may be made available in the EU market, even if they do not yet bear the CE mark demonstrating conformity with applicable regulations and obligations.
* Creation of a strategic rescEU stockpile of medical equipment such as ventilators and protective masks to help EU countries in the context of the COVID-19 pandemic. See [press release](https://ec.europa.eu/commission/presscorner/detail/en/IP_20_476) from 19 March. On 27 March the Commission adopted the first amending budget for the year 2020, increasing the EU budget of the RESCEU medical stockpile (ventilators, protective masks and essential medical gear) to €80 million. The European Parliament and the EU Council are now invited to approve as soon as possible the proposed budgetary changes to ensure that the funds can meet the most pressing needs ([see press release](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_535)).
* After the urgent request from the European Commission, the European Committee for Standardisation (CEN) and the European Committee for Electrotechnical Standardisation (CENELEC) announced that several European standards for medical and personal protection have been made "FREELY" available. The aim is to boost the production of these goods in order to fight COVID-19 and speed up their availability on the internal market. See [press release](https://www.cencenelec.eu/News/Press_Releases/Pages/PR-2020-003.aspx).
* On 30 March the Commission published guidance for economic operators [on the applicable legislation for leave-on hand cleaners and hand disinfectants](https://ec.europa.eu/docsroom/documents/40523) and on [conformity assessment procedures for protective equipment](https://ec.europa.eu/docsroom/documents/40521) like masks, gloves and surgical gowns. See press release [here](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_558).
* On the 1st of April, publication of the [Frequently Asked Questions](https://trade.ec.europa.eu/doclib/docs/2020/april/tradoc_158693.pdf) on the export regime of Personal Protective Equipment (PPE).

**BORDER MANAGEMENT:**

* The Commission presented [Guidelines on effective border management](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/20200316_covid-19-guidelines-for-border-management.pdf) to set out principles to ensure the availability of essential services and goods such as food supplies. See [press release](https://ec.europa.eu/commission/presscorner/detail/en/IP_20_468) from 16 March.
* On 23 March, the Commission presented a [Communication](https://ec.europa.eu/transport/sites/transport/files/legislation/2020-03-23-communication-green-lanes_en.pdf) on the implementation of the Green Lanes under the Guidelines for border management measures to protect health and ensure the availability of goods and essential services. See [press release](https://ec.europa.eu/commission/presscorner/detail/en/IP_20_510).
* On 30 March the European Commission issued a Communication on “Guidelines concerning the exercise of the free movement of workers”. They aim at ensuring that mobile workers, in particular those in critical occupations to fight the coronavirus pandemic, can reach their workplace in the context of more and more Member States introducing checks at border crossings.

**INTERNET** **TRAFFIC:**

* In order to avoid Internet congestion the Commission has called on internet access service providers to prevent the effects of network congestion by using the existing provisions in Regulation 2015/2120 (Article 3(3)(c)). Furthermore, the Commission expects users to make “REASONED” use of leisure activities, using low resolution for the content viewed. The European Commission and the Body of European Regulators for Electronic Communications (BEREC), with the support of the National Regulatory Authorities (NRAs), are setting up a reporting mechanism to ensure regular monitoring of the internet traffic situation in each Member State.

**ECB**

* ECB will provide cheap money to banks for lending to SMEs.
* Extending Bond buying programme by 120 bn until the end of 2020, which will reduce the costs for government and corporate bonds. See [press release](https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200312_1~39db50b717.en.html) after the Board meeting of ECB on 12 March.
* ECB announced a Pandemic Emergency Purchase Programme (750 bn), which aims to buy government bonds to stabilise financial markets and resulted already in a significant decrease of the spread for bonds in Italy.

**EIB Group**

* Increase financing for health sector
* 10 bn extra investments to SMEs and midcaps with own resources

**EUROGROUP**

* Eurogroup agrees with measures proposed by Commission on Friday (37 bn investment, 8bn guarantee for SME finance, flexibility as regards State aid rules, using all possible flexibility in Stability and Growth Pact).
* Asks EIB Group to increase the support for SME finance to 20 bn guarantees for another 150.000 SMEs.
* Asks EIB to accelerate the impact of available resources by speeding up the programming and spending of money available.
* Welcome the monetary policy package from ECB / Supervisors – see above
* Agreed that automatic stabilisers will fully work. This means that lower revenues of taxes and social contribution as well as higher spending needs of the public sector (unemployment payments, health system, etc.) will not be compensated by reducing other spending or higher taxes. Higher budget deficits will be accepted.

See the [statement](https://www.consilium.europa.eu/en/press/press-releases/2020/03/16/statement-on-covid-19-economic-policy-response/) of the Eurogroup after the meeting on Monday 16 March.

**What our organisations ask to do**

SME organisations welcome the Commission’s general response to the Corona virus emergency, in particular the flexibility allowed in the application of the Stability and Growth Pact rules.

In addition our SME organisations ask for:

* Protect the integrity of the single market and enhance coordination among Member States to face the emergency jointly while promoting solidarity values.  The circulation of essential goods across borders should be ensured. The “green lanes” (borders) should be installed instantly and should be used as a model to facilitate the transportation and the functioning of the single market”
* The creation of an online information tool providing reliable information on logistics situation within the Schengen area, in order for companies willing to do business cross-border to be able to assess possible risks and delays by border controls, etc. Moreover a stabilisation of cross-border value chains has to be ensured as soon as possible;
* Self-employed living in one country but working in another country risk to be excluded from support measures as member states apply the criterium of “principal residence”. Therefore Member States should give support to the self-employed where they pay their social security contributions.
* Swift application of the Platform2Business regulation to avoid that platforms take advantage of the current increase of providers on the platform (e.g. Deliveroo).
* Swift and correct implementation of the support measures announced by the European Commission on Friday 13 March and supported by the Eurogroup on Monday 16 March, to ensure that actions are reaching the SMEs as fast as possible.
* Incentivise Member States to set up mechanisms to assist SMEs in difficulties through a more speedy implementation of the Insolvency Directive. The experience of the Early Warning Europe project, supported by COSME, can be used to move to a swift implementation.
* Postponement by one month of deadlines of all open public consultations and postponement of launch of new consultations, not directly related to the corona crisis, in order to grant stakeholders additional time for feedback while dealing with urgent measures to tackle the corona crisis. On the other side we encourage a rapid adoption and implementation of all crisis response measures.
* Rethink the SME strategy in order to consider new actions taking into account the long term impact of COVID 19 on SMEs and on the economy.
* The necessary medical equipment, such as test kits, masks and breathing equipment, should be produced within the EU and made available to all Member States. In addition the creation of a strategic stock at the EU level to respond to future emergency situations.
* Extension of non-performing-loan rule to 180 days: currently, after 90 days of repayment delay of a loan it becomes a “non-performing loan” and the bank has to hold more capital against it. A prolongation of this period to 180 days would reduce the costs for banks and relax their pressure on companies.
* *With regards to the 5 Commissioners Task Force we encourage the Commission to clarify its mandate, ensuring that all aspects related to SME policy are taken into account while responding to the crisis. In addition, we encourage the establishment of a “Working Group” composed of independent scientific bodies, including representative organisations of economic and social partners, able to support the work of the Task Force and provide an appropriate common response in terms of finding technical solutions and joint sustainable research methodologies useful for countering COVID 19 and its impact on businesses and society at large.*

## National measures

**AUSTRALIA**

**Measures taken by the Australian government**

*Support through social security/welfare:*

* *Australia has announced a coronavirus “top up” to its social security payment scheme, known as* [*JobSeeker Payment*](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1920/Quick_Guides/JobSeekerPayment)*. Under the scheme, recipients – including the self-employed, will receive a payment of 550 Australian dollars (AUD) per fortnight on top of their usual maximum fortnightly payment. This is versus an average fortnightly wage in Australia of around 3000 AUD. This works as in the Table 1 below. This package is estimated to cost the Australian treasury 14.1 billion AUD.*

*Table 1: Australian JobSeeker Payment rates*

|  |  |  |
| --- | --- | --- |
| ***Recipient*** | ***Maximum fortnightly payment in AUD*** | ***Max payment with 550 AUD Covid-19 supplement*** |
| *Single, no children* | *565.70* | *1,115.70* |
| *Single, with a dependent child or children* | *612* | *1,162* |
| *Single, aged 60 or over, after 9 continuous months on payment* | *612* | *1162* |
| *Partnered* | *510.80 each* | *1060.80 each* |
| *Single principal carer granted an exemption from mutual obligation requirements for any of the following: foster caring, non-parent relative caring under a court order, home schooling, distance education, large family* | *790.10* | *1340.10* |

**AUSTRIA**

**Measures taken by the Austrian government**

On 18 March, the Austrian government announced an aid package for the economy of up to 38 billion euros. Of this amount, up to 4 billion euros are earmarked for supporting SMEs and short-time working, around 9 billion euros for loan guarantees, around 15 billion euros for companies and sectors that have been particularly hit hard, and around 10 billion euros for tax deferrals.

**What are the concrete measures/possibilities offered to companies?**

* The package of 4 billion euros was launched to ensure short-time working of staff and to support in particular micro enterprises (enterprises which employ less than 10 people and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million) and one person enterprises. For the last mentioned measure, called hardship fund 1 billion euro is provided to ensure that domestic businesses especially smallest enterprises come through the crisis well.
* The existing bridging guarantees for working capital loans for one-person-entrepreneurs/ SMEs and tourism enterprises will be continued and expanded.
* Also companies with 250 and more employees are to be offered guarantees (details are currently being worked out)
* Direct loans for affected companies: details are currently being worked out.
* Tax deferrals, reduction of tax prepayments, waiver of interest on arrears, deferral interest and late payment surcharges
* Social security for self-employed (SVS): Deferments, payment in instalments, reduction of contribution bases and leniency for interest on arrears are possible.
* Health insurance for employees (ÖGK): Deferments, payment in instalments, leniency for late payment surcharges, suspension of execution requests and insolvency applications possible.
* Exporting companies can apply for a credit line of 10 percent (large companies) or 15 percent (SMEs) of their export turnover at OeKB. The maximum limit per customer is 60 million euros. For the time being, the financing is limited to two years with the possibility to extend it. In addition to an existing export activity, the prerequisite is proof that the company was economically sound until the start of the COVID-19 effects in Austria. The Federal Government is prepared to assume guarantees for 50 to 70 percent of these working capital loans. In total, the credit line comprises two billion euros.
* Banks may defer loan installments, among other things. Talk to your bank if you have or fear current liquidity problems. You can also request deferrals for other current contracts (rent, leasing, insurance, etc.). However, this is always a decision of the contractual partner, for example, whether a deferral of payment is granted.
* Furthermore, the Austrian Social partners together with the government have negotiated a **dedicated Corona short term working model** which is subsidized by the Employment Service Agency. (see below for further explanation)

What is the new COVID-19 short-term work in Austria?

* In case of economic necessity, a reduction of the working time of 10 - 90% can be applied for on the basis of a social partner agreement. In the averaging period, this can even be reduced to 0% in phases.
* The resulting loss of remuneration is compensated by the AMS (Austrian employment service agency) in the form of a short-time work allowance, resulting in a net salary of 80 - 90%, graduated according to income level. The employer is also reimbursed for the proportionate employer's social security contributions.
* Before the start of short-time work, old holidays and time credits must be used up in full. The number of employees must be maintained during the short-time work and for at least 1 month beyond.

For further information ([https://www.bmdw.gv.at/Themen/International/covid-19.html](https://urldefense.com/v3/__https%3A/www.bmdw.gv.at/Themen/International/covid-19.html__;!!DOxrgLBm!WYQwDBBwZrAHAq091GSp3Q0oAy774BvFwC6IRPoAaAyRzF3x13VwRE_yfGRf6xceKjNB$)(only in German)

**What organisations ask/do**

* Creation of an **emergency task force within the organisation**. Members are serviced by a **telephone hotline** - that gives information on all the details of short-time work and labour law, how to deal with the virus as well as emergency measures of the government.
* The government introduced first help for the tourism sector, and now for all the businesses in need. The aid package for the economy was prepared with the help of all social partners to keep the economy running, to help businesses and to preserve jobs. The new model for short time work has been negotiated and established together with the social partners and further improvements to the model have been achieved.
* As regards the economic aid package of the Austrian government, there is commitment to ensuring that these funds are made available to companies as quickly and unbureaucratically as possible.

**Measures for financial relief**

* The organisation decided to suspend the basic membership fee (basic levy) for its members for this year until further notice.
* In the event of an economic emergency due to the Corona crisis, there is the possibility of applying for a deferral or an instalment payment of taxes - including levy 1 and levy 2 of the organisation. In addition, an application can be made for the deferral interest to be reduced to zero.

**BELGIUM**

**Measures taken by the Belgian government:**

- A Bridging allowance for the month of March and April of 1.300 euro (1600 euro for family heads) for every self-employed who has to interrupt its activities due to COVID-19. For being eligible the Government decided not to apply the condition that the self-employed should have their “principal residence “ in Belgium, but that they pay their social security contribution in Belgium.

- All of these measures are designed, on the one hand, to enable the affected companies to place their employees on temporary economic unemployment in order to safeguard employment and, on the other hand, to provide for arrangements for spreading, deferring and exemption from payment of social security contributions, withholding taxes, for companies and the self-employed.

- Temporary unemployment due to force majeure will be extended by three months, until 30 June 2020. It may also be invoked pending recognition of the status of company in difficulty. Temporary unemployment benefits - both for economic reasons and force majeure - will be increased from 65 to 70% for a period of three months in order to limit the loss of income suffered by the workers affected. Temporary unemployment is now automatically granted, with a minimum of red-tape.

- For all federal government contracts, and provided that it is demonstrated that the delay or failure to perform is due to Covid-19, the Federal Government will not apply penalties or sanctions against contractors, companies and self-employed persons.

- Deferral of the payment of certain amounts of taxes: VAT until 20 May 2020 and payroll tax until 13 May. For all companies, automatically, unconditional.

- Extra period of 2 month for paying personal income tax and corporate tax in addition to the normal period.

- For secondary professions: it is allowed to remain active even if a person is unemployed for technical reasons in its primary profession. Also postponement of social contribution payments.

- Agreement between Government and the banks that they will grant a deferment of payment, without additional cost for the enterprises, until the 30st September but only for “viable” enterprises. As “viable” are considered enterprises without payment delays or without a payment delay of less than 30 days.

- Engagement of the banks that for new credits of less than 12 months they will take the losses for 3% of the total portofolio.

- Relaxation of the permit regime for the production of alcohol by breweries to enable pharmacies to produce disinfecting alcohol.

- Retail (food) Sales or discount promotions are forbidden.

**Measures taken by the Flemish government:**

* Indemnity of 4000 euro for companies that were obliged to close down. After 21 calendar days they will receive a daily indemnity of 160 euro.
* Introduction of a “Crisis” guarantee . Possibility for a guarantee up to 75% by the Flemish Government of financing agreements at a reduced premium (0.25% instead of the normal 0.5% ). In addition companies can for existing debts obtain a guarantee for bridging loans for a period of 12 months (instead of the actual 3 months).
* Collection of vehicle taxes postponed with 4 months for companies.
* Flemish government has asked the local authorities to postpone local taxes where ever possible.
* The Flemish Government will pay the water-, gas and electricity invoices for a period of 1 month of families of which family members have become technical unemployed due to the COVID-19 measures.

**Measures taken by the Walloon government:**

* Creation of an Extraordinary solidarity Fund: 233 mio € of support for SMEs and self-employed in the sectors affected by the crisis;
* Indemnity of 5000 € for companies who have to close down
* Indemnity of 2500 € for the sectors partially affected (e.g. hairdressers)
* The Walloon Financial instruments (SOWALFIN, SOGEPA et SRIW) will be used to help by according guaranties, co-guaranties (with bancs) or loans. Urgent loans of maximimum 200 000 € can be granted to meet cash requirements
* Suspension of the payment period for taxes as long as the crisis continues.
* Concerning fiscal litigations: time limits for complaints (introduction, appeal, …) and negative administrative decisions are frozen.

**What organisations ask/do**

* Call on the local, regional and national authorities to pay immediately the invoices of their suppliers.
* Delayed payments of corporate tax, fiscal and para-fiscal exemptions, delayed payments of social contributions, temporary unemployment due to unforeseen circumstances (is less burocratic and cheaper for enterprises than the economic unemployment measures taken by the government), correct provision of information to employers and employees about the possible measures.
* Organisations have a 24/24 helpline and a chatbox for members with questions.
* As there is from 14/3 onwards a partial lockdown in Belgium : request for the creation of a disaster fund for horeca, tourism sector, retail and amusement sector.
* Crisis Bridging Payment for self-employed (under discussion in Parliament, will be voted soon).
* Possibility to detach employees that have become unemployed due to the coronacrisis to strategic sectors.
* Definition of “viable” enterprises (in the agreement between banks and government) is too strict and arbitrary.
* Call not to buy on-line from international websites, but local ones, to support the local SMEs
* Call to property owners to remit (voluntary basis) the rent for two months for shop-owners/enterprises.
* Call on local authorities, utility companies and other actors to do everything possible to finish as much as possible public roadworks by the end of the corona period. Postponement or shutting down of these works have to be avoided, on the contrary works should be pushed forward, but always by respecting social distancing.

**CROATIA**

**Measures taken by the Croatian government**

The Croatian government has adopted the following measures:

* short-term work / partial unemployment schemes.
* income subsidies / compensation for entrepreneurs / self-employed. **All craftsmen have been included in income subsidies programs of Unemployment Buro.**
* liquidity measures for SMEs ( **paying in up to 24 monthly instalments, after the corona crisis will be over)**
* and delay of tax and/or social contribution payments.

**What organisations ask/do**

Some of the measures considered helpful are delay for payment of taxes and social contributions, technical unemployment. If the CORONA-virus epidemic is going to last longer, some legislative measures on national level will be necessary to help crafts to recover.

**CYPRUS**

**Measures taken by the Cypriot government**

The President of the Republic has announced new measure for facing the situation. Briefly:

From 1 am on March 15 and for a period of 15 days to start with, entry will be prohibited to any citizen, irrespective of nationality, who does not belong to one of the following categories:

* Cypriot citizens
* Legal residents in the Republic of Cyprus
* EU nationals or nationals of third countries who work in the Republic
* Nationals of countries who are in a designated diplomatic service or mission under bilateral or international conventions.
* Isolated cases of EU or third country nationals who have unavoidable professional obligations, provided they secure the relevant permission from the competent ministry
* EU or third country nationals studying at educational institutions in the Republic of Cyprus.

A full package of support measures for workers, companies and vulnerable groups of the population was announced on 16 March:

1. **STRENGTHENING THE SAFETY NET OF WORKERS AND VULNERABLE GROUPS**
	1. **Granting “special leave” to parents** working in the private sector to look after their children up to 15 years of age as a result of the schools’ closure. The duration is 4 weeks at present while an allowance is given for gross salaries up to €2500 per month. The allowance is 60% for the first €1000 and 40% for the next €1000. This is increased to 70% and 50% respectively in the case of single parent families. The leave is granted in consultation with the employer and in cases where teleworking is not possible.
	2. **Scheme for the temporary suspension of operations** for those companies that were required to close by law (e.g. malls, restaurants, theatres, hairdressers, etc.) or those with a turnover decrease of over 25%. In such cases the employees that will be out of work will receive unemployment benefit.
	3. **Scheme for the support of small enterprises employing** up to 5 persons on the condition that they are still operating and have a turnover decrease of over 25%. The scheme provides for a subsidy of 70% of the salaries of the employees.
	4. **Scheme for the remuneration of those employed by the Ministry of Education for its afternoon programmes:** Full compensation of their remuneration.
	5. **Payment of sickness allowance to:**
		1. Employees/self-employed with specific health problems that need to stay at home
		2. Employees/self-employed that need to stay at home for quarantine purposes
	6. **Extension of the period to submit objections** to the social insurance services by self-employed until 30 April.
	7. **Creation of mobile units** to serve the elderly and the vulnerable
2. **STRENGTHENING THE HEALTH SYSTEM**
	1. **Employment of additional personnel, enhancement of equipment, supplies, infrastructure, the ambulance service and the hotline 1420.**
	2. **Non-payment of the increased contribution to the National Health System** planned as of March for two months.
3. **SUPPORT TO BUSINESSES, INCREASING LIQUIDITY AND STMULATING DOMESTIC DEMAND**
	1. **Temporary suspension of the payment of VAT to the State** for two months for enterprises with a turnover of up to 1 mln and enterprises whose turnover decreased by at least 25%.
	2. **Temporary reduction of the VAT rates** by 2% to for a period of 3.5 months
	3. **Allowance to Cypriot students studying abroad** who will not return to Cyprus for the amount of €750.
	4. **Extension for two months of the obligation to submit tax returns** for those who had to do it by 31.3.2020.
	5. **Suspension of the clause for the retention of guarantees** in case of performance delays in contracts with the public sector.
	6. **Increased funds for the promotion of tourism** between June 2020 and March 2021.
	7. **The banking sector:**
		1. The Central Bank has announced the relaxation of capital requirements to the amount of €1.4 bln so that commercial banks can provide loan relief to businesses and households, e.g. decreasing instalments
		2. Easier and direct provision of short-term loans to businesses and households to help them face the current economic difficulties.
		3. Favourable short-term loan restructurings to affected bank customers
		4. Suspension of loan instalments for 9 months for enterprises that were prompt with their payments up to now.
		5. More favourable interest rates and charges.
		6. Provision of short-term loan restructurings through simplified procedures by loan purchasing companies.
4. **OTHER MEASURES**
	1. Introduction of a cap on the prices of personal hygiene products.
	2. Obligatory operation of essential services and obligatory attendance of related staff.
	3. Flight ban (except cargo planes) as of 21 March for 14 days.
	4. Between 07hrs and 10hrs only the elderly and the vulnerable will be granted entrance to supermarkets

**What organisations ask/do**

* Extending the deadlines for the payment of taxes and other contributions (including social contributions) without the imposition of penalties.
* Using State Aid measures to provide liquidity and working capital to businesses. Possibilities are offered through the de minimis facility and the schemes for rescue and restructuring.
* Suspension of installment payments and facilitation of loan repayments.
* Banks should provide the necessary liquidity to all businesses facing problems. In this direction the government could provide targeted credit guarantees possibly in relation to the provision of bridge loans to cover short term liquidity needs of companies.
* In addition to paid sick leave for confirmed cases or cases that have been put under quarantine for precautionary reasons, provision of income support to the employees of companies that are forced to suspend their operations.
* Extension of the suspension of operations for hotels until 31/5/2020 and payment of unemployment benefit to the affected employees as is the case presently on the basis of the scheme for the suspension of hotel operations for the low season.
* Concerning travel agencies that have been seriously affected by the pandemic, the state should subsidise the provision of leave on a rotation to the employees for a period of at least 3 months.
* Concerning touristic businesses, reduction in the cost of electricity that constitutes together with the payroll the largest part of the expenditure of these businesses, especially hotels.
* Extending the deadline for the submission of tax declarations since many accounting/tax offices may not be able to comply with deadlines as a result of absence of their employees from work.
* Encouraging working from home/teleworking where possible so as to reduce the spreading of the virus.
* At the same time we should not create disproportionate barriers to the free circulation of products while the stabilization of cross-border value chains should be safeguarded.
* The measures should be continuously evaluated and if necessary extended.

In addition the expected impact of the announced measures by both the Government and the Central Bank was examined and the following were decided:

1. Enterprises to try, as far as this is possible, to keep in employment the entire or a significant part of their staff, making use, where possible, of the government schemes for the temporary suspension of work.
2. The Government must strengthen in every possible way the liquidity of enterprises in this difficult period, by extending or temporarily suspending the time limits for the payment of various taxes and levies such as VAT, social insurance, cohesion fund, as well as other levies on the payroll without the imposition of fines and punitive measures. Account must also be taken of the serious understaffing of almost all public services which objectively makes it difficult to pay the contributions on time.
3. All undertakings must be included in the scheme to extend the time limits for payment of VAT, and not only those with a turnover of less than €1.0 mln, as all companies are currently facing liquidity problems.
4. To propose that, at this stage, instead of the original proposal to reduce VAT rates for all products and services, to reduce the rate from 19% to at least 14% only as far as electricity, water and fuel are concerned, which are consumed during this difficult period by the whole of the population.
5. To propose the extension of the date of submission of the Annual Reports of companies for 2018 to the Registrar of Companies until 31.12.2020.
6. To ask the State not to charge (and by extension not to recover) the percentage of its share as per the Contract for the award of the Port of Limassol, for all export shipments, for a period of 6 months, in a move to strengthen exports.
7. With regard to the provision of additional assistance from banks to the real economy:
	1. Banks to suspend payment of instalments/interest until the end of 2020 for consistent borrowers on the basis of rational assessments.
	2. There should be an extension of the repayment period of loans by 1 year for the repayment of instalments/interest that will be suspended due to the situation.
	3. The relevant procedures on the part of banks should be speeded up in order to ensure that this new liquidity is channelled as quickly as possible to the real economy
	4. The organisation will come back on this issue after receiving a detailed briefing by the Governor of the Central Bank
8. The date of submission of Intrastat and VIES declarations should be extended until the end of the next month.

**DENMARK**

**Measures taken by the Danish government**

In Denmark a lot of drastic measures have been taken in order to avoid a long term economic crisis due to the COVID19 outbreak:

* Borders are closed – the free movement of labour and goods is ensured. For information in English please refer to this webpage: <https://danishbusinessauthority.dk/entry-restrictions-what-does-it-mean-my-business>
* Schools and day cares are closed and people must work from home as possible.
* The Danish social partners and the Danish government have concluded a tripartite agreement negotiated in 24 hours on a Temporary Scheme for Pay Compensation in order to retain jobs. Under the agreement, companies that would otherwise be forced to cut a significant amount of staff, are eligible for pay compensation of 75 pct. This is on condition that the employees are not laid off.
* Employers can receive sickness benefit reimbursement for wages and sickness benefits as early as the first day of absence rather than after 30 days, as under normal circumstances.
* Introduction of daily real-time (at 10 o’clock every day) monitoring of people registering as unemployed. Data is available at [www.bm.dk](http://www.bm.dk) and [www.jobindsats.dk](http://www.jobindsats.dk)
* Companies can temporarily reduce the work hours of employees to avoid dismissals because of decline in orders etc.
* The government has suspended the activity of all Danish job centers as well as all non-essential work and OSH-inspections in order to reduce the risk of infection among both citizens and employees. Unemployment benefits are still paid out.
* Financial assistance has also been introduced to support self-employed and to help restaurants and hotels etc. that are being closed down.
* The government has also introduced a number of financial aid packages to ensure the liquidity of vulnerable businesses, including a postponement of taxes and VAT and compensation for organizers of large cancelled events.
* Further the social partners have in the midst of the crisis agreed a new 3 year collective agreement for the private labour market, where the voting result is expected on 16 April 2020.

**ESTONIA**

**Measures taken by the Estonian government**

In order to mitigate the impact of the coronavirus on the Estonian economy and entrepreneurs, the Government of the Republic developed a package of urgent economic measures.

Estonia’s first package will provide the economy with up to 2 billion euros, which is about 7 percent of our GDP. Our aim is to alleviate the most difficult initial phase of the crisis, to help entrepreneurs, and to ensure the functioning of the economy. The Minister of Finance was given the task of initiating a supplementary budget to reflect the increased costs.

The supplementary budget is needed to bring public finances into line with the changed circumstances. To do this, information is collected from governmental authorities to change costs and allocate money by law. The supplementary budget will be discussed in April.

PARTS OF THE PACKAGE

KREDEX

Kredex will launch the following new services:

* Loan guarantee to alleviate the repayment schedules of bank loans already issued through Kredex in the amount of 1 billion euros;
	+ If the bank eases the repayment schedule of an existing bank loan unsecured by KredEx or is ready to issue a new loan to the company, KredEx will give its guarantee for this loan.
* Working capital loan through Kredex in the amount of 500 million euros;
	+ If banks are no longer financing the companies, KredEx will provide the company with an extraordinary loan for working capital to overcome the liquidity problems caused by the coronavirus outbreak.
* Investment loan through Kredex in the amount of 50 million euros;
	+ KredEx will give the company an investment loan, so they can flexibly take advantage of new business opportunities,

These measures are limited to 5 million euros per company. More information is provided by the Ministry of Economic Affairs and Communications and Kredex.

LABOUR MARKET

The Unemployment Insurance Fund will start offering a compensation for reduced wages in the amount of 250 million euros.

* The compensation is aimed at companies in difficulty and their employees.
* Any qualifying company can apply for the compensation within two months from March to May (payouts will be made from 1 April to 30 June).
* The compensation will be paid up to a maximum of 1,000 euros per employee requiring compensation. As a rule, the compensation will be 70 percent of the gross wage of an employee plus at least 150 euros plus social tax and unemployment insurance premium paid by the company.
* Employers who meet two of the three criteria are eligible:
	+ if their turnover or income has fallen by at least 30% compared to the same month of the previous year;
	+ if at least 30% of their employees can no longer be employed due to the spread of the COVID-19 coronavirus;
	+ if they have reduced wages by at least 30% for at least 30% of the employees.
	+ The compensation is paid only to employees who are not employed by the company any more or whose wages have already been reduced due to a reduction in the workload.
* The purpose of the measure is to avoid redundancies and to support the continuation of the economic activities of the company.

SICK LEAVE. The state also compensates sick leave from the first to the third day for all certificates for sick leave during the months of March, April, and May. This will costs about 1.5–2 million euros per month.

RURAL LIFE

Support for rural businesses through the Rural Development Foundation:

* Guarantees by the Rural Development Foundation in the amount of 50 million euros;
* It is important to ensure flexible financing of rural businesses in crisis situations. For this purpose, the Rural Development Foundation can extend the existing contract of suretyship or issue a new surety if the bank so requests. In addition, it can reduce the fee for the provision of surety.
* Working capital loans offered by the Rural Development Foundation in the amount of 100 million euros;
* It is essential to ensure that businesses in the agricultural and food sector and other rural businesses, including family businesses, which are predominantly micro-businesses and self-employed persons have access to flexible working capital loans, as the price of real estate in times of crisis is uncertain.
* Land capital financing offered by the Rural Development Foundation in the amount of 50 million euros;
* The Land Capital trust fund measure is the planned purchase and resale of land (capital lease).
* The measure allows agricultural producers, if necessary, to sell their land to the foundation, rent it from the foundation under a commercial lease contract, and buy back the land within a certain period.

CULTURAL AND SPORTS EVENTS

Partial compensation by the state of up to 3 million euros of costs incurred due to events that have been cancelled due to the emergency situation and the suspension of activities of cultural and sports organisations.

* Primarily, these are state authorities in the area of government of the Ministry of Culture, state-owned foundations, public bodies, and persons supported by the state budget through the Ministry of Culture and the Cultural Endowment.
* The precise criteria for the measure will be developed by the Ministry of Culture in cooperation with the Ministry of Finance. This applies only to the events of March and April, i.e. the period of the emergency situation.

SUSPENSION OF II PILLAR PENSION PAYMENTS

The precise criteria and timetable will be developed by the Ministry of Finance.

TAX RELIEFS

* A measure for the self-employed persons which alleviates the advance payment of social tax contributions for the first quarter.
* Suspension of tax interest by the state for two months
* During the emergency situation, from 1 March to 1 May, no interest will be charged to the company during this period in the e-Tax Board.
	+ The measure concerns both the calculation and payment of interest on past tax arrears, as well as the calculation of interest on tax arrears incurred since 1 March. In addition, interest on tax arrears to be paid in instalments is also suspended.
* Tax arrears are postponed for 18 months at a lowered interest rate
* This is a normal postponement procedure, but the Tax and Customs Board will have an additional right to reduce interest by more than 50 percent. Today, the maximum possible reduction is up to 50 percent.
* The ordinary interest rate may be reduced from 0.06% to 0.03% and, in the case of postponement, to 0%.

SUPPLEMENTARY BUDGET

* The Minister of Finance has been given the task of coming up with supplementary budget proposals in the coming weeks, so that the Riigikogu could adopt it as soon as possible.
* Expenditure cuts are planned to be avoided as much as possible, as this would further cool the economy.
* Thus, there will be a negative supplementary budget.

**What associations ask/do**

The country must now make efforts to overcome the crisis and help companies. It is important to avoid a wave of bankruptcies and job losses

A big unaddressed issue with self-employed without employment contract, as these are not covered by temporary lay-off compensations and will most probably not be treated well by the banks while allowing crisis loans.

**FINLAND**

**Measures taken by the Finnish government**

On Friday 20 March, the Parliament will be given an additional budget of EUR 100 million. It focuses only on the costs of coronavirus control and preparedness and, inter alia, on securing corporate finance. Of this amount, EUR 27 million is for social and health expenditure and the remainder is business finance.

The government also encourages Finnvera (a specialised financing company owned by the State of Finland and it is the official Export Credit Agency (ECA) of Finland) to double its domestic funding volume from EUR 2 billion to EUR 12 billion. The State will compensate Finnvera for possible credit losses.

The State Pension Fund will increase investments in commercial papers of Finnish companies for a limited period. The size of the investments is EUR 0.5-1 billion.

In addition, support is available through Business Finland (a Finnish innovation funding, trade, investment and travel promotion organization). This support is targeted at the creative industries and tourism. The total volume of financing is EUR 150 million.

The EUR 50 million business finance through the regional authorities will be targeted specifically at managing the impact of the service sectors, but also, where appropriate, of all sectors.

Additional resources will be directed to business advisory services. Financial resources of EUR 500,000 will be allocated to the Talousapu financial assistance service for entrepreneurs.

**Business Finland**

On the 19th of March Business Finland opened two new financial support tools, that are targeted to SMEs having 6 or more employees (excluding SMEs in agriculture, fisheries, aquaculture and self-employed persons). This support can be used for the development of solutions to COVID-19 related business issues.

The support allow SMEs to research and develop new business streams, alternative supply chains as well as new ways of organising production and work during the crisis and after. In total, this support amounts to 700 million euros.

The finance is of De minimis-nature, so the 200 000 euros threshold is being applied.

**Centre for Economic Development, Transport and the Environment**

The Centres for Economic Development, Transport and the Environment (ELY-centers) have been granted a 300 million euros additional budget for business support. The support (grant) is targeted for business development that is needed to tackle and minimize the negative impacts of COVID-19 and incentivize companies to employ.

This support can be granted to any business (regardless of legal form) that employ at minimum 1 person and maximum 5 persons (excluding self-employed entrepreneurs). The contractual working hours of the employees must be at least 30 hours per week. Also, a precondition for the support is that the business has suffered temporary market or production disruptions due to COVID-19. Equally, those self-employed persons, who have more than 5 full-time employees can apply for this grant.

This support instrument won’t be granted to enterprises in the forestry, agriculture, fisheries nor agro-processing sector.

The finance is of De minimis-nature, so it applies the 200 000 euros threshold.

**Municipalities**

The Ministry of economic affairs and employment and Association of Finnish Municipalities are soon launching a support model for one-person-businesses. These entrepreneurs can soon apply support from the municipalities to address the financial difficulties caused by COVID-19.

The support is financed entirely from the state budget with 100 million euros.

Precondition for the support is viable business activity before the COVID-19 crisis. Additional information and details of this support tool will be published soon.

**Taxation**

Businesses can apply for a facilitated payment scheme of taxes. It means that when applied, taxes won’t be directed for foreclosure procedure and tax debt won’t be published in the tax default registry.

After the agreement on the facilitated payment scheme, a three month deadline for the first payment round of tax debt will start to run.

Also, the interest rate of the delayed tax payments will be lowered from 7% to 4%.

**What organisations ask/do**

*The state and the pension companies take over the employer's social security contributions for a period of three months.*

*The state will take responsibility for the pension contributions of the entrepreneurs for a period of six months, so that the entrepreneurs' money does not run out and social security collapses.*

*For a period of three months, the state pays to companies with no employees and no outstanding tax debts at the end of 2019 EUR 33.66 per day (equivalent to start-up allowance, basic allowance and labour market support).*

*The State will reimburse the own-initiative taxes (VAT and employer contributions) and advance taxes paid in 2019 and early 2020 on a loan to strengthen the working capital of companies.*

*Public landlords (state, municipalities, their companies and employment pension companies) must reduce their rents spontaneously for a period of at least three months.*

*State and municipalities need to focus their public procurement on a proactive basis, which safeguards the operation of many companies and keeps the market alive during the crisis.*

**FRANCE**

**Measures taken by the French government**

The application of support measures on a case-by-case basis to businesses that would meet with serious difficulties, in particular :

* The postponement of social and/or fiscal payment deadlines (URSSAF, taxes) ;
* If necessary, a plan to spread the debts with the support of the State and the Banque de France;
* Obtaining or maintaining a bank credit via Bpifrance, which will guarantee all cash loans that businesses may need because of the epidemic;
* The financing of employees through the temporary unemployment scheme (chomage partiel);
* Support in dealing with conflicts with customers or suppliers with the “Médiateur des entreprises” (Enterprises ombudsman)

The State considers Coronavirus a case of “force majeure”. This means that for all State public procurement contracts, penalties for delays will not be applied.

Ministers called on the major contractors to show solidarity with their suppliers and sub-contractors who may find it increasingly difficult to obtain supplies and to respect the delivery deadlines.

The provision of all useful information on the business and logistical situation in the different Chinese provinces.

Acceleration of approval procedures in certain sectors for new sources in the supply chain, in particular for the construction or chemical sector in order to help diversify their sources of supply while respecting social standards, environmental and European.

The launch of a reflection on the security of supplies for certain sectors strategic sectors, such as the automotive industry, in order to make them more independent from their supplies from overseas.

The French government announced accompanying measures for enterprises:

* Economic emergency plan for € 45 billion.
* Guarantees and Loans
	+ Bpifrance guarantee for treasury loans granted by French private banks.
	+ The State provides guarantees for bank financing to the tune of 300 billion euros.
	+ Bpifrance will provide bank guarantees up to 90% on loans and overdrafts and extend guarantees to accompany the maturity rescheduling carried out by banks.
	+ Bpifrance also offers cash flow support loans in collaboration with regions. Unsecured loans of between €10,000 and €5 million for SMEs - BPI France site
	+ The Fédération Bancaire Française has promised accelerated credit appraisal procedures for tense cash flow situations within 5 days and special attention for emergency situations.
	+ Support from the State and the Banque de France (credit mediation) to negotiate with his bank a rescheduling of bank loans;
	+ Deferral up to six months of loan repayment deadlines for businesses ;
	+ Bpifrance proposes a reorganization of medium and long-term credits for clients.
* Creation of a solidarity fund for small enterprises (this fund is « for the smallest enterprises, for independent workers who have less than 1 million euros turnover » and « lost, between March 2019 and March 2020, 70% of their turnover ». Eligible enterprises to the solidarity fund will benefit from a flat-rate aid of 1.500 euros if they fit in the category of activities that are affected by legal closing, or if they lost 70% of their turnover. The average turnover will be taken into account if the activity was nil in March 2019. Administrative burden will be reduced : a single declaration will be enough.
* Deferral of gas and electricity invoices as well as professional rents
* Improvement of the short-time work measures.
* Direct tax: if a SME is facing payment difficulties related to Covid-19, it can ask the “c*omptable public*” (public accountant) to settle a plan to spread or defer the payment of its direct tax. Regarding the situation’ difficulty, on case-by-case basis, it can ask a remission of direct taxes.
* Creation of the « *comité sur le credit inter-entreprises* »: it will deal with business-to-business credit regarding cessation and late payments.

On the long-term, the Minister of Economy and Finances announced that the state will spend 300 billion euros for an economic recovery plan and flanking measures for struggling businesses.

Concerning short-time work measures:

* Enterprises using short-time work will benefit from a compensation enabling them to cover 100% of the compensation given to the workers, up to 4,5 SMIC (French minimum wage)
* This measure is possible even for enterprises with only one employee and concerns also apprenticeships
* Employees working short time will receive 84% of their net salary, except for those who are paid the minimum wage or those who are in training who will receive 100% of their salary.
* Enterprises can apply for short-time work measures during 30 days, with retroactive effect. The administration is trying to shorten authorisations delay to 48 hours (usually 15 days).
* Temporary modification of labour law ; The employer will have the option of unilaterally imposing or changing "the dates for taking a portion of the paid leave, up to a maximum of six working days".

Deferral of payments of social contributions and taxes:

* The due date of Mars will be suspended ; the amount will be redistributed over the months from April to December. In the most difficult situations, direct tax rebates may be arranged case by case.

On 25 march the French Prime minister announced new measures :

* Solidarity fund for very small businesses : of one billion euros. Only companies which have:
	+ less than 10 employees
	+ annual turnover is less than one million euros
	+ which have been subject to a closure measure or suffered a very significant decline of their turnover
* They will receive 1,500 euros paid "early April". Additional assistance of 2,000 euros may be paid on a case-by-case basis for very small businesses that risk bankruptcy.
* More flexibility in working hours and days : in some sectors employees could work for 60hours/week and some enterprises could open 7/7

More info available here: <https://www.gouvernement.fr/info-coronavirus>

And here: [https://www.economie.gouv.fr/coronavirus-soutien-entreprises#](https://www.economie.gouv.fr/coronavirus-soutien-entreprises)

Regions in France have taken measures : <https://home.kpmg/content/dam/kpmg/fr/pdf/covid-19/fr-24032020-deal-advisory-fr.pdf> (p.15)

**What organisations ask/do**

* Correct and swift implementation of the measures announced by the government.
* The French government to consider covering operating losses incurred by craft, commercial and liberal enterprises, if necessary, through insurance companies.
* Compensation for independent workers and corporate officers’ income in micro enterprises was one of the measures requested.
* France must declare state of health disaster (état de catastrophe sanitaire) so SMEs can use their business interruption insurance (assurance perte d’exploitation)
* Temporary unemployment scheme should not put any additional financial burden on SMEs
* French tax administration should contact SMEs directly to inform them
* Government should collect all masks’ stocks currently useless to their owners.
* More protection against cyberattack
* Deferral for VAT’s payment
* More measures aimed to self-employed
* Response time as well as reimbursement should be accelerated

**GERMANY**

**Measures taken by the German government**

The federal government already adopted a plan of measures on Sunday 8th March, including simplified regulations and higher financial support for short-time work.

Presented package of measures to mitigate the impact of the coronavirus taken by the German government (see attachment).

**What organisations ask/do**

It is important that the companies do not go bankrupt as a result of Corona and are financially relieved. In addition, however, credit assistance and guarantees as well as tax relief are needed to offset the shortfalls on the revenue side

Possible starting points for economic policy:

Proclamation of an immediately applicable moratorium on additional financial and administrative burdens for companies!

Implement the easing of short-time work compensation in a timely manner; the planned Work of Tomorrow Act (coming into force in June 2020) comes too late to cushion possible corona effects. The following measures are to be implemented:

* Reimbursement of the social security contributions currently borne solely by the employer during short-time work i. 50 % to 100 % (e.g. from the seventh month, and in the case of further training),
* Legally regulated waiver of the build-up of negative working balances prior to the introduction of short-time work,
* Easier access to short-time work by lowering the quorum,
* Facilitated re-application after a short interruption of short-time work.
* Simplified application procedure, especially for small companies.
* Extension of the period of entitlement to short-time work compensation to up to 24 months should be considered if it becomes apparent that KuG is to be used for a longer period of time due to corona-related work absences.

Reducing the burden on employers with regard to contributions to statutory health insurance by suspending the parity-based financing of contributions for a limited period. The employer's share of the additional contribution of 0.55 percent on average could be replenished by tax revenues. A rough estimate of this would have resulted in a relief effect of € 500 million per month for the economy; a rough estimate of € 100 million of this would have been for employers in the craft trades.

Alignment of the framework conditions for trainees with those for students in health, nursing care and accident insurance. Vocational training is very cost-intensive for companies.

Extension of the submission and payment deadlines for tax returns and advance VAT returns and a generous deferral arrangement for tax payments because this would provide companies with short-term liquidity.

Retroactive reduction of income and corporation tax rates and abolition of the solidarity surcharge as of 1 January 2020, in particular for all companies and corporate forms. On the one hand, this would stimulate the economy and provide companies with urgently needed liquidity.

Short-term improvement of depreciation conditions, e.g. by introducing, if necessary also temporarily, digressive depreciation for movable assets.

The need for a fundamental reform of corporate taxation must not be lost sight of if Germany is to remain competitive as a business location.

Credit and guarantee programme (guarantees, special Kfw programmes, facilitation of guarantees, etc.). During the financial and economic crisis, the following very successful measures were implemented to support guarantee banks:

* Raising the upper limit for guarantees to € 2.5 million (2009: € 2 million) what will enable guarantee banks to help existing companies that already have guarantees and whose financial circumstances are therefore known, quickly and without problems in the crisis if the normal standard amount of €1.25 million is exceeded.
* Increase of the counter-guarantee ratio of the German Government by 10 % to 49 %. A higher counter-guarantee increases the leverage and enables the guarantee banks to shoulder the risks that are difficult to assess during the crisis more easily.
* Acceleration of decisions (personal competence). In a crisis situation, the craftsmen/SMEs must be helped quickly and without bureaucracy. As the guarantee banks bear a significant part of the risk, there is no moral hazard problem.
* All the above measures must be implemented without delay. In addition, the existing restriction that guarantee banks may only have 35 % of working capital financing in their portfolio would have to be suspended for the times of the crisis. In addition to collateralisation with guarantees, a short-term liquidity requirement for working capital can also be covered by the KfW Entrepreneur Loan and the ERP Start-up Loan, considering the possible streamlining of the underlying procedures.

Need for improvement in announced measures

1. systemic relevance of craft enterprises

Craftsmen are absolutely necessary to keep the community going and to consider them as systemically relevant, for example in access to childcare. This must be taken into account both in the state regulations on the closure of certain facilities, companies, etc. and with regard to the provision of emergency childcare.

2. make aid available without delay

The decision to retroactively apply the short-time working allowance on 1 March is to be welcomed. Trainees must also be included in the scope of the short-time working allowance. A further problem for many handicraft enterprises arises in the area of marginal employment, which has not yet been included in the KuG application area.

3. liquidity assistance and other support measures

Temporary adjustments to insolvency law are also necessary. As was already the case during the financial crisis, effective relief should be provided. It is therefore right to temporarily suspend the obligation to file for insolvency

4. social security

- One option: the suspension of parity-based contribution financing - at least in the statutory health insurance system - for a limited period of time. This measure has already proved its worth.

- Alignment of the framework conditions for trainees with those for students in health, nursing care and accident insurance (also a contribution to greater equivalence)

- Cushioning of an impending cost increase in the case of U1 apportionment by compensation for employer expenses in the case of continued remuneration in the event of illness.

- The possibility of deferral of contributions to statutory accident insurance by the workers' compensation associations should be opened up.

5. tax policy

Announced deferrals of tax payments should cover all types of tax, i.e. income tax as well as wage and sales tax. A uniform and coordinated application by all federal states must be ensured.

A positive example is Bavaria. The Free State has already published an unbureaucratic application for the interest-free (!) deferral of taxes for three months and for adjustment (reduction) of advance payments for income and corporation tax.

Other demands tax policy:

- A short-term, temporary and flexible instrument would be the reduction of income and corporation tax.
- The offsetting of losses must be improved.

6. commercial rents

Insofar as the public sector or publicly owned companies (e.g. municipal commercial centres, properties owned by Deutsche Bahn real estate companies, federal and state offices for real estate tasks) are themselves lessors of craft trade properties, a quick explanation regarding reduction, deferral or suspension of rent payments is desirable from the point of view of the craft trade sector. The private and institutional landlords of commercial property are also called upon to implement joint solutions for the long-term maintenance of leases that are important for both sides. It would be urgently necessary for all landlords of real estate to send a signal of partnership to their commercial customers.

7. mobility of craftsmen

The mobility of craft enterprises and their accessibility for customers and suppliers must continue to be ensured. It is not yet fully foreseeable how the restriction of the activity of the authorities will affect approval processes relevant to the trade in the transport sector (heavy transport, permits for restricted access areas, exceptions to Sunday driving bans, etc.). Flat-rate exceptions for necessary services are to be striven for here.

8. public procurement

In the event of disruptions in public procurement in the context of the Corona crisis due to force majeure, partnership-based solutions are essential to ensure the livelihood of affected craft enterprises as contractors.

9. educational institutions

Courses for inter-company apprentice instruction and vocational orientation, as well as master craftsman and other further training courses can no longer be held. Both partial and complete cancellations of subsidised and non-subsidised training courses lead to very substantial losses of income, while at the same time the full costs for the operation and maintenance of the buildings and for personnel continue to be incurred. In view of the already existing shortage of teachers, a dismissal of staff must be avoided at all costs.

Depending on the duration of the closure, this development will lead to considerable liquidity bottlenecks, to insolvency and to a general threat to the continued existence of these urgently healthy and necessary vocational training facilities.

Receivables from educational institutions:

In order to avoid this, aid measures are required which allow financial compensation for all already planned training courses and courses for the loss of eligible and non-eligible courses and bridging, non-repayable liquidity aid in order not to jeopardise these structures.

10. subsidised advisory programmes

The Corona crisis is triggering a considerable need for advice among companies, which must be met quickly and unbureaucratically. However, the requirements of the directive are an obstacle to their use.

Obstacles must be removed as quickly as possible from the subsidised business consultancy for the skilled crafts sector.

In the BAFA advisory programme "Promotion of entrepreneurial know-how", short-term, 100 percent subsidised crisis advisory services should be made possible, as is already being considered in the BMWi. In addition, it is necessary to make the periods from the day of application to the day of settlement more flexible, to double the volume of funding for companies in order to make it possible for those who have already exhausted their funding possibilities to make use of it, and the daily limit of 5 days of maximum consultancy per type of consultancy for existing companies should be dropped.

11. perfectly fitting staffing and welcome pilots

In the programs "Perfectly fitting cast" and "Welcome Guides", the implementation of the program is made more difficult by, for example, the closure of schools, the cancellation of job fairs and some of the bans on contact with customers that have already been imposed in some places. Here our measure carriers need security that no disadvantages result from imposed precautionary measures.

**GREECE**

**Measures taken by the Greek government**

The Greek government has announced measures to tackle Covid-19 crisis and to support enterprises/ free lancers / self-employed

1. Taxation

- Suspension of tax payments: Suspension of tax payments until 31/8/2020 which have already expired or expire soon (from 11/03/2020 to 30/04/2020) for businesses affected financially by COVID 19. These include:

- those assessed by Tax Offices (D.O.Y.) and the Debt Centers,

- the monthly instalment payments (120 instalment measure and relative settlements),

- and VAT debit statements.

 - Overdue Government Debt to Businesses: AADE will immediately repay all government overdue liabilities to businesses and individuals up to € 30,000.

- VAT: VAT Reduction from 24% to 6% on products needed for the treatment of Coronavirus (masks, gloves, antiseptics, tissues, soap, etc.) and ethyl alcohol, if used to produce the above products. The 6% low VAT rate will apply until the end of the year.

- ENFIA: The status of ENFIA remains unchanged and the new values will apply from 2021.

2. Business loans

- Hellenic Bank Association (EET)- Suspension of payments for borrowers without arrears (for Businesses): Instalments (excluding interests) are suspended until 30/9/2020 for debtors-businesses without arrears until 31/12/2019.

- Hellenic Bank Association (EET)- Suspension of payments for borrowers without arrears (for freelancers and self-employed): Suspension of instalments (excluding interests) for 3 months by telephone contact with the borrowers. The beneficiaries will be freelancers / self-employed

-Individuals, who were directly affected by COVID 19 will receive state aid of 800 euros.

- Debt Collection & Law Firms: Borrowers will not be bothered.

- Interest rate subsidy on business loans: The measure will have a validity of 3 months for the sectors of the economy that are directly affected by the Covid-19 crisis. Should the crisis continue, the measure may be further extended.

-New Guarantee Facility: In consultation with the European Commission and in order to restart the economy, a Guarantee Facility for SME loans will be implemented up to € 6 billion, from the originally planned of 3 billion. These funds will be available for the post-COVID 19 / post crisis period.

- Simplification of Entrepreneurship Fund (T.EΠΙΧ) of the Greek Development Bank (E.A.T.): Facilitation of loans provided by the Entrepreneurship Fund (T.EΠΙΧ) of the Greek Development Bank (E.A.T.) by raising by € 250 million the funds towards businesses affected by the Covi-19, with a 100% interest rate subsidy for 2 years.

3. Labour Market/ Social Insurance/ EFKA

Unemployment Benefit for Traders: Extension of the unemployment benefit to freelancers for an additional of 2 months. Therefore, those who are entitled to receive it by March 31, will receive it for a further 2 months, that is until May 31, 2020.

- Suspension of payment of insurance contributions: Suspension of payments for businesses affected by the Covid-19:

- Individual contributions of freelancers and self-employed for the month of February 2020 for 3 months, free of interest and surcharges. January contributions had to be paid by Friday 20/3/2020,

- for undertakings and employers, suspension of payment of employee contributions for the month of February for 3 months

- Settled debt to Funds for 3 months in all affected companies (120 instalments & relative settlements).

4. Wages/ Employers

- Suspension of Employment Contracts / Employee Salaries: Employers who are affected by the Covid-19 crisis and see significant turnover reduction, can, according to their Code Number of Activity (KAD), set some or all of their employees to a suspension of their employment contract. The suspension of the employment contract can applied for a period of 1 month or even further, provided that the current conditions have not been improved. The measure is temporary, exceptional and necessary to protect public health and reduce operating costs for businesses.

Beneficiaries of the extraordinary financial support of € 800 will be all employees who are already or will be suspended until 30/4/2020, with full insurance coverage on their total nominal salary, provided they have been registered on the platform of «CS «ERGANI» until 31/3/2020. This amount will be tax free, non-refundable and non-offsetting.

As long as the enterprise uses the suspension measure, there is an express prohibition on the termination of employment contracts of all its staff and if the enterprise is not complied with, the dismissals will be considered as void. Upon the expiry of the period of suspension of the employment contracts, the employer shall retain the same number of jobs for the same period as that which used the suspension measure.

The employer is obliged to declare the employees who he/she suspends from their employment contracts in the «CS ERGANI» and notify it to the employees; otherwise the enterprise will be excluded from all favorable suspension measure package (instalments and payments) to the State.

- Easter Gift: The Easter Gift will be paid in its total amount, but with the option for employers to pay later, without penalties, in order to alleviate the adverse effects of COVID 19. In particular, it may be paid to beneficiaries in summer, along with the summer holidays (days off) allowance, without being prohibited from paying it earlier, provided that it is financially feasible.

5. Rents

- Reduction of rentals for businesses: For businesses that are obliged to stop their business due to the spread of the Covid-19, only 60% of the rent of the commercial real estate, if rented, will be paid for March and April 2020. The same applies also to employees of undertakings whose employment contracts are suspended due to Covid-19, when the rented house is the main residence.

6. Liquidity enhancement

Emergency Payment: All freelancers, self-employed and skilled traders / employers affected by the Covid-19 crisis will receive the € 800 cash payment in early April for the period between 15/3/2020 to 30/4/2020. In particular, the beneficiaries are those who:

- closed their business by government decision (eg cafes, restaurants, private schools, tutoring, hotels, etc.),

- have not closed their business by a government decision, but have been affected by the current financial crisis due to COVID 19,

-not affected by the economic crisis of the consequences of COVID 19.

Special 'repayable deposit' measure: The measure concerns all businesses affected, and is practically a government loan of € 1 billion total, which will be repaid in part or in full by businesses back to the state in the future. In real terms, eligible will be the businesses which fulfil a number of criteria such as turnover decline, wage and non-wage costs or possibly destruction of stocks. The aid will be given in cash through enterprises «Taxisnet» accounts.

7 - Incorporation of Greek government bonds into the QE/PEPP *(*[*https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200318\_1~3949d6f266.en.html*](https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200318_1~3949d6f266.en.html)): Greek ECB's latest decisions bonds will be included in the QE program (essentially the PEPP: Pandemic Emergency Purchase Program), with the beneficial effects for banks and the Greek government reflected on cheaper borrowing costs

- General Escape Clause: On the basis of this clause, which also applies to Greece and was adopted in 2011, the Member States of the European Union can take any measures necessary to support public health, business liquidity, employment and social cohesion, deviating from the medium-term budgetary target of the Stability and Growth Pact, as long as the impact of the Covid-19 is in effect. Thus, there is a greater flexibility framework concerning all the options available in order to tackle in a timely and efficient manner the implications of this pandemic.

 - Supplementary Budget - Increase of funds: An additional budget will be presented, with the Ministry of Finance's regular reserve being increased by € 4 billion, without the need to cash in or intervene to the 'safety cushion/ buffer'. The total amount of measures, from the state budget and European resources, is now up to EUR 20 billion by 20/3/2020.

**What organisations ask/do:**

1. Tax measures should be applied to all enterprises independently of their legal form.
2. The time-line for submitting tax-statements for income taxes should be extended.
3. Easter wages should be paid to employees till summer 2020.
4. Enterprises’ bills should not be tied down till the elimination of coronovirus’ consequences.
5. The protection of the first home (law 4605/2019) should be extended by the end of the year
6. Enterprises should be exempted from paying rents till the elimination of coronovirus’ consequences. Rents should be paid by the State either through state’s budget or by European funds.
7. Enterprises which closed voluntarily due to coronovirus’ dispersion should be helped by economic measures independently of not being closed by state’s order.
8. The digitalization of enterprises, regarding their tax obligations (i.e. the connection of cashiers with taxisnet, Mydata, e-voices), should be postponed.
9. There should be a serious concern for Bounced cheques and for these cheques that are expiring in next months. An extension in bouncing cheques should be forecasted.
10. There should be a forecast in calculating enterprises’ 40% turnover reduction.
11. Economic measures should be extended to wholesale enterprises which face a sharp turnover’s reduction due to the closing of retail enterprises.
12. There should be a concern for those enterprises that are merchandising seasonal commodities (i.e. Eastern gifts).

**IRELAND**

**Measures taken by the Irish government**

In terms of income supports under Covid19, the Irish government presented different measures which function on a ‘fixed allowance’ basis, rather than on a social insurance/percentage of salary basis.

For those unemployed as a result of Covid:

* The COVID-19 Pandemic Unemployment Payment is paid at a flat rate of €203 per week for 6 weeks. It is equivalent to the jobseeker payment rate.

<https://www.gov.ie/en/service/be74d3-covid-19-pandemic-unemployment-payment/>

* For those who can work, but are self-isolating:

If you have been diagnosed with COVID-19, or are medically certified to self-isolate as a result of COVID-19, you can apply for Illness Benefit for COVID-19 absences paid at a rate of €305 per week. This is available to employees and the self-employed.

<https://www.gov.ie/en/publication/eca524-covid-19-information-for-employees/#covid-19-enhanced-illness-benefit>

**What associations ask/do:**

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| WAGE SUBSIDY SCHEMEWhile we have some concerns about the criteria surrounding the scheme, for many businesses, this will be the only way to retain employees on their payroll through what will be a period with a severe decline in trading. The Government is asking businesses to take Revenue at their word in how they intend to operate the scheme. Each business will need to evaluate this line of communication. Revenue’s high-level policy guidance is available [here.](https://isme.maillist-manage.eu/click.zc?od=2012a89da85efa690e18bd1a5563f293c&repDgs=116336eb291ba19&linkDgs=116336eb2917836)1. This is a complex scheme, especially where employee pay is variable, so please ensure you or your payroll provider understand the guidelines before applying for the subsidy. Revenue’s latest detailed guidance, which is subject to update, is available [here.](https://isme.maillist-manage.eu/click.zc?od=2012a89da85efa690e18bd1a5563f293c&repDgs=116336eb291ba19&linkDgs=116336eb2917838)
2. Firstly, you must understand if your business needs to avail of the scheme. The index period for it is from 14th March to 30 June 2020, and the test is whether a 25% reduction in turnover will take place. While some businesses may not be affected, or are regarded as essential services, it is expected that most businesses can expect a significant decline in turnover in the next number of weeks.
3. It is also important to understand that this scheme is solely for the benefit of employees. It is not a source of working capital for a business. If your business avails of the scheme, you must pay 100% of the benefit to your employees.
4. The scheme creates three ‘bands’ of employees:
	1. Those who normally earn up to €586 (net) per week; they can be paid *up to* €410 per week in wage subsidy,
	2. Those who normally earn between €586 and €960 (net) per week; they can be paid €350 per week in wage subsidy, and
	3. Those who normally earn more that €960 (net) per week; they do not qualify for wage subsidy
5. The government has stated that the intent of the scheme is for employers to top-up this payment, where they can, to normal levels of net pay for each employee. Each business should examine the degree to which this is feasible for them. Where businesses have significant cash reserves, there is an expectation that this top-up will be made.
6. Companies should be careful that they do not pay employees more than they would normally be paid, as this will produce additional tax liabilities for companies when the Revenue eventually conducts reconciliation and evaluation activity.
7. Please remember that the name of your company will be published if you avail of this scheme. The government has been clear that there will be no exceptions to this. The government has stated that this should not be interpreted as meaning a company has done something wrong, or that a company is effectively trading recklessly. The government has asked that companies do not view the publication of participation in this scheme as a disincentive to use the scheme. Ultimately, each business will need to take a view of the facts as they exist today and evaluate their participation on the basis of the facts.
8. While the Revenue *‘does not consider that any employer will require professional advice or assistance in being able to prove to the satisfaction of Revenue that these criteria are met,*’ this refers only to the qualifying criteria. We strongly advise you to avail of professional advice before using this scheme, if only to ensure you do not inadvertently misuse the scheme, over-pay employees, or incur an avoidable future tax liability.

COVID-19 PANDEMIC UNEMPLOYMENT PAYMENT Where your business is unable to continue to pay employees in employment, the enhanced [Pandemic Unemployment Payment](https://isme.maillist-manage.eu/click.zc?od=2012a89da85efa690e18bd1a5563f293c&repDgs=116336eb291ba19&linkDgs=116336eb291783a) is now available. This will give people a flat-rate benefit of €350 per week. |

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| WORKING CAPITAL SUPPORTSThe organisation is not satisfied with the working capital supports provided so far, and we are looking for a much more aggressive intervention by Government to introduce liquidity. Fornow, the working capital support schemes are as follows:* MicroFinance Ireland provides COVID-19 loans of up to €50,000. The terms include a six months interest free and repayment free moratorium, with the loan to then be repaid over the remaining 30 months of the 36-month loan period. Loans are available at an interest rate of between 6.8% and 7.8%. Details are available [here.](https://isme.maillist-manage.eu/click.zc?od=2012a89da85efa690e18bd1a5563f293c&repDgs=116336eb291ba19&linkDgs=116336eb291783c)
* The Credit Guarantee Scheme supports loans up to €1 million for periods of up to 7 years. Applications can be made to AIB, Bank of Ireland and Ulster Bank. Eligibility criteria apply, and details are available [here.](https://isme.maillist-manage.eu/click.zc?od=2012a89da85efa690e18bd1a5563f293c&repDgs=116336eb291ba19&linkDgs=116336eb291783e)
* The SBCI COVID-19 Working Capital Scheme for eligible businesses supports loans from €25,000 up to €1.5 million (first €500,000 unsecured) with a maximum interest rate of 4%. Details are available [here.](https://isme.maillist-manage.eu/click.zc?od=2012a89da85efa690e18bd1a5563f293c&repDgs=116336eb291ba19&linkDgs=116336eb2917840)
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**ITALY**

**Measures taken by the Italian government**

The Italian Government has issued three decree laws. The first is a health emergency measure and the second involves some early measures for the enterprises of the “red zone” in the regions of Northern Italy. The third decree contains further urgent measures to limit the contagion, applicable to the whole national territory (suspension of commercial activities such as retail, restaurants, services).

The measures destined to SMEs in the second law decree are:

* Extension of deadlines for the 2020 pre-filled tax return.
* Suspension of the time limits for payment of the loads entrusted to the collection agent.
* Suspension of the time limits for the payment of social security contributions and compulsory insurance premiums.
* Suspension of payment terms. For example: a) until 30 April 2020, the deadline for payment of the annual fee for Chambers of Commerce.
* Suspension of withholding payments, contributions and premiums for the tourism-hotel sector.
* Special rules on ordinary income support fund and ordinary cheque. Compensation for self-employed workers of € 500 for a maximum of 3 months.
* SME Guarantee Fund. The intervention is free of charge and to the maximum extent currently allowed by national and EU regulations (80% direct guarantee and 90% reinsurance) for a period of 12 months and for a maximum amount guaranteed per company of € 2.500.000.

The Italian Government is boosting the increase of the production of facial masks and other personal protective equipment to face the emergency.

The conformity assessment procedure will not be necessary and for all the period of emergency facial masks and other personal protective equipment can be placed in the market without CE marking.

However, manufacturers must comply with all the technical and safety requirements foreseen by the standards and have to submit a request to the competent authorities which will evaluate the process production and the technical aspects of the products in order to authorize production and put on the market.

For this purpose UNI (Italian ISO) has made available for free all the standards for the production of personal protective equipment, and UNI has formally requested CEN to do the same.

**What organisations ask/do**

There is a need for interventions that can support and relaunch productive activities when the health emergency is over. In particular:

* Instruments for intervention on the labour market aimed both at tackling the emergency through adequate funding for social security benefits and at stimulating employment;
* Tools to address the liquidity shortage of SMEs;
* Effective tools to compensate the self-employed and support measures for enterprises;
* Relaunch of Public Investment by ensuring the rapid and widespread start of construction sites already planned and by speeding up work to amend the Code of Public Contracts;
* The “unblocking” of construction sector and a simplified access to Public Tenders with SMEs preferential window;
* Launch of an investment plan for public works with a territorial impact, favouring the use of so-called 0-km businesses, with simplified access procedures for contracts worth less than €200,000;
* Facilitation of payments by the Public Administration, including through advances to local liquidity institutions through the intervention of public funding and resort to universal compensation of debts and receivables;
* Reprogramming of EU resources 2021-2027, giving priority to the intervention of the National Operative Programmes aimed at increasing the attractiveness of the territories;
* Acceleration of Green Deal policies and support to digitisation, especially in accompanying smaller companies to e-commerce platforms, in addition to actions aimed at reshoring relocated activities;
* Fiscal and administrative simplification that hampers business activity since the cancellation of the rule that introduced joint and several liability of principals on withholding tax for employees of contractors and subcontractors;
* Allocation to companies located in the areas concerned, which in the period from 21 February 2020 until the end of the containment measures have suffered a decrease in turnover compared to the median value of the corresponding figure for the three-year period 2017-2019, by up to 100% of the aforementioned decrease.
* Creation of Urban Free Zones for the territories affected by the health emergency.
* The suspension of the payment of the principal portion of the instalments of the business bank loans;
* The extension of the redundancy fund notwithstanding artisan businesses.
* The “CuraItalia decree”, which contains measures supporting families, workers and businesses is only a first step. The resources deployed, 25 billion, albeit important, will not be sufficient to protect self-employment and small businesses. So there will soon be a need for further stimulus and support for the economy as never experienced before.
* The interventions in favor of companies (e.g. suspension of payments) must be addressed with greater incisiveness in favor of self-employment, smaller-scale activities and the supply chains (tourism, transport, hotel, cinema and culture) which more than others are hit hardly.
* Therefore, we need more long-term and robust measures that give companies greater liquidity by reducing tax and social security costs by raising the threshold of 2 million in revenues for the suspension of payments.
* Guarantee the continuity of business for all those activities of maintenance, linked to production and non-production cycles, aimed at keeping efficient and in good condition machinery and equipment so as not to affect the company's ability to work when the emergency will be over.
* Consent the functioning of those companies that are reconverting their production to masks and devices for health through simpler approval procedures.

**NETHERLANDS**

**Measures taken by the Dutch government**

The Dutch government has announced on 12, 17 and 23 March, to curb the spreading of the coronavirus.

They include:

1. A guarantee facility for SME loans (BMKB) is already in place and working – EUR 665 million of an available budget of EUR 765 million, 0.08% of GDP. The Ministry of Economic Affairs and Climate Policy has expanded guarantees to a higher guarantee percentage, up to 90% of the credit risk of banks for SMEs that want to take out a loan of EUR 1.5 mln maximum but that do not have the required collateral. This measure was recently expanded for SMEs coping with risks associated with the nitrogen ruling (adopted) and is further expanded to apply to SMEs affected by COVID-19.
2. The social assistance decree, aimed at self-employed persons, (Bbz, Besluit bijstandverlening zelfstandigen 2004) will be expanded, meaning that the self-employed and entrepreneurs will be able to receive social assistance if they meet certain standards, which will be relaxed. This social assistance will include additional benefits to meet livelihood standards and/or a loan for working capital.
3. A new temporary measure will be introduced to help entrepreneurs paying wages, in order to prevent unemployment. This measure replaces the current working time reduction scheme, which was not designed for handling a pandemic. In the new scheme, employers will be supported more quickly than before. Employers using the scheme must commit to not firing their employees on economic grounds. Employers who expect a decline of at least 20% in revenue can request an allowance for a period of 3 months of maximally 90% of the total wage sum. The Employee Insurance Agency (UWV) will pay a deposit beforehand, and it will be determined afterwards whether a firm has received too much or too little support. The Dutch government will work on the details of the proposal in the coming period and will send a request to the European Commission regarding state- aid rules. The costs will strongly depend on the number of applications. If 25% of all employers apply for an average of 45% of their wage bill, the costs will be around 10 billion euros in the first 3 months. These costs will increase when the number of applications rise.
4. Businesses can request for a special deferral of payment in income tax, corporate tax, turnover tax, energy tax and wage tax. Temporarily, no penalties for failure to pay taxes (on time) will be imposed. Businesses that already forecast lower profits due to the epidemic can request a reduction of the provisional tax assessment and will be able to pay less initial tax in order to avoid liquidity problems. To avoid immediate liquidity problems, the requirement for a “third expert” will not have to be included in the request immediately (but after two weeks). Moreover, the tax authorities will temporarily decrease the recovery interest rate from 4% to 0.01%.
5. The so-called GO-regulation, through which SMEs can secure a 50% guarantee from the government on their bank loans and bank guarantees, will be expanded. The maximum ceiling guaranteed will be increased from EUR 400 million tot EUR 1.5 billion and the maximum GO-facility per firm will be increased from EUR 50 million to EUR 150 million. This will enable both small and large firms to benefit from this policy.
6. In order to support small firms and start-ups with little financial reserves, we will expand the Qredits-programme. Through this program, we expect to support approximately 3000 to 6000 firms by a deferment of payment for a period of a maximum of six months and by giving those firms a discount on their rent payments for the same period.
7. Agricultural and horticultural SMEs will be supported by temporarily relaxing the guarantee for working capital, which is part of the existing decree Borgstelling MKB-Landbouwkredieten (BL). The decree will ease acute liquidity problems for agricultural and horticultural business who experience those problems due to the COVID-situation. The credit is for a maximum of 2 years.

8. The central government will discuss with local governments on how they can support local entrepreneurs within the current regulatory frameworks. In order to support the liquidity of local firms, the central government will discuss whether it is possible to postpone the collection of local taxes, including tourist taxes.

9. To support firms that are affected by government’s health measures - for example by the closure of restaurants - an emergency desk will be introduced, through which those firms can receive a one-off lump sum allowance of EUR 4000. The conditions for this allowance are currently being drafted.

For further information please consult:

* The coronavirus and your company: government measures to help businesses:

<https://business.gov.nl/your-company-and-the-coronavirus/>

* Corona virus FAQ for entrepreneurs: [https://business.gov.nl/the-coronavirus-faq-for-entrepreneurs/](https://urldefense.com/v3/__https%3A/business.gov.nl/the-coronavirus-faq-for-entrepreneurs/__;!!DOxrgLBm!Wm9F6yAvtGgIiL0upZsDr2EgA1GNdrKRAKtp4H9LfybCnmOiqSgtv-ObeSRvpyCSklU$)

**NEW ZEALAND**

**Measures taken by the government**

*Wage subsidy*

* New Zealand has introduced a [wage subsidy scheme](https://www.business.govt.nz/news/coronavirus-information-for-businesses/) that is open to the self-employed if they can show a 30% decline in revenue, attributable to COVID-19, against the previous years’ monthly average. The subsidy is for 12 weeks, and consists of $585.80 per week for a full-time employee (20 hrs or more) or $350.00 per week for a part-time employee (less than 20 hrs). This is versus an average weekly salary of around 1000 NZD. Payment is made as a lump sum.

**PORTUGAL**

**Measures taken by the Portuguese government**

* On 11th March the Government announced **30 measures** to deal with the situation and also decreed the State of Alert (readiness of the armed forces and firefighters).
* **Council of Ministers - March 12** -**Main decisions:**

- Credit line to support companies' treasury of € 200 million.

- Credit line for micro companies in the tourism sector in the amount of € 60 million.

- Simplified lay off: Extraordinary support for maintaining employment contracts in company in a business crisis situation, worth 2/3 of the remuneration, ensuring Social Security pays 70% of that amount, the remaining amount borne by the employer.

- Promotion, in the contributory field, of an exceptional and temporary exemption regime payment of Social Security contributions during the lay off period by from employers.

- Measures to accelerate payments to companies by the Public Administration.

- Extension of deadlines for payment of taxes and other declaratory obligations.

* **Decree-Law n.º 10-A / 2020, of March 14**

- Establishes exceptional and temporary measures.  **Main decisions:**

- Exceptional regime in terms of composition of medical boards, human resources management and services acquisition

- Suspension of academic and non-academic activities

- Limitation of access to spaces frequented by the public

- Social protection measures in illness and parenting

- Support measures for self-employed workers

- Alternative forms of work

* **Exceptional measures in the face of the outbreak of COVID-19 (Ordinance No. 71-A/2020, of March 15 and Ordinance No. 76-B/2020, of March 18)**, which came into force on March 16.
* The Government has published a second Ordinance that amends that Ordinance No. 71-A/2020. This is Ordinance No. 76-B/2020, of March 18, which came into force on 19 March.

**Main decisions:**

- Established that the abrupt and sharp break of at least 40% of invoicing, must have been verified in the 60 days prior to the request with the Social Security, with reference to the same period or, for those who started the activity long ago less than 12 months, the average for that period. Until now, the following regime was in force: «The abrupt and sharp increase of at least 40% of turnover, with reference to the same period of three months, or, for those who started the activity less than 12 months ago, at the average of that period.

- The period of exceptional possible monthly extension of support is extended until the maximum of 6 months. The condition that existed until now disappears: it was, until now, extendable “Only when the company's employees have taken the maximum annual vacation limit and when the employer has adopted flexibility mechanisms for working hours provided for by law. "

* On March 18, the President of the Portuguese Republic has announced the **State of Emergency**, which will allow the Government to implement more restrictive measures for public health protection.
* Only in the week of 23 March, finally, companies have been able to start applying for the economic extraordinary measures, namely the credit lines (no effective financial support received, yet).

**What associations ask/do**

It is problematic that the government does not provide income subsidies / compensation for entrepreneurs / self-employed

**ROMANIA**

**Measures taken by the Romanian government:**

OUG NR. 29/2020 REGARDING FISCAL AND BUDGETARY MEASURES

MAIN MEASURES FOR SMES

1. UNDER THE “IMM INVEST ROMÂNIA“ PROGRAME
2. The guarantee by the state shall be increased from 50% to a maximum of 80% of the value of financing for loans for investment purposes and/or one or more loans/credit lines for working capital. The maximum amount of financing guaranteed by the state for a beneficiary is lei 10 million
3. For SMEs that have not submitted financial statements at the time of the application for the guaranteed credit, the maximum amount of funding for working capital loans/credit lines will be calculated on the basis of the average of the corresponding expenses in the monthly balances;
4. Granting one or more guarantees for credits/credit lines to finance the working capital, of maximum 90%, for micro or small enterprises, with a maximum value of lei 500.000 for micro-enterprises and maximum lei 1.000.000 for small enterprises;
5. Loans to micro or small enterprises shall be subsidized by 100 % interest on loans/credit lines to finance working capital and investment loans from the budget of the Ministry of public Finance under a State/de minimis aid scheme;
6. The interest subsidy period runs from the moment the credit is granted and may run until 31 March 2021;
7. The maximum duration of the transfers is 120 months in the case of investment loans and 36 months in case of loans/credit lines for working capital (may be extended up to 36 months).
8. MEASURES FOR SMES
9. During the state of emergency, SMEs which have totally or partially discontinued their activities on the basis of decisions of the competent public authorities and hold the emergency certificate issued by MEECA benefit from the deferral of payment for utility-electricity, water, natural gas, telephone and internet services, as well as the postponement of the rent for the building with registered office and secondary residence;
10. In ongoing contracts concluded by SMEs, force majeure can only be invoked against them after an attempt has been made by any means by the parties to renegotiate the countermeasure in order to adapt its terms.
11. Force majeure shall be presumed the measures ordered to prevent and combat the pandemic affecting the activity of the SME, as attested by the emergency certificate;
12. Penalties in contracts concluded with public authorities by SMEs for delays in implementation are not due for the duration of the state of emergency;
13. The time limit for lodging the declaration on the beneficial owner shall be extended by 3 months from the date of the end of the state of emergency and the lodging of the declaration shall be suspended during the period of the declaration.

RESTRUCTURING OF BUDGETARY OBLIGATIONS

1. The deadline by which the debtor wishing to restructure its budgetary obligations is to notify the competent tax authority of its intention by 31th July 2020, as compared to 31th March 2020, is extended;
2. The deadline until which the request for restructuring of budgetary obligations can be submitted is extended until 30th October 2020, compared with 31th July 2020.
3. FISCAL MEASURES
4. For tax liabilities due from the date of entry into force of the emergency order and not paid until the termination of the measures, no interest and interest on late payments shall be calculated and no interest and interest on late payments shall be due - shall cease within 30 days after the end of the state of emergency.
5. The deadline for payment of tax on buildings, land and means of transport is extended until June 30th, with the 10% bonus to be maintained.

**What organisations ask/do:**

Some of the measures proposed have already been applied by the Romanian government.

Developing a communication plan containing a website with information on all measures taken to support the economy during the coronavirus epidemic, as follows:

* Economic measures
* Institutions in charge of combating the effects: ANAF; ONRC; DSP
* Submission of all statements to be performed online

The measures to support SMEs are divided into 3 categories:

1. MEASURES TO STABILISE EMPLOYMENT

1. Provision of subsidies for social security and health insurance amounts

SMEs which find themselves in temporary difficulties due to the outbreak of coronavirus and do not lay off employees or minimize lay-offs will receive grants representing up to 75 % of their wages (financed from the POCU European grants 2014-2020, The investment priority 8v – Adapting workers, businesses and entrepreneurs to change);

2. SMEs affected by the coronavirus epidemic should have the right to ask for the postponement of the payment of social and health contributions due by employees and paid by employers up to 3 months after the official statement of the epidemic, while maintaining the insured status.

3. Ensuring the legislative framework for flexible working policies

Encouraging businesses to adopt and use flexible working policies such as wage adjustment, job rotation, flexible working hours and other measures to stabilize jobs are done by providing a legislative framework to ensure rapid adaptation to the company's crisis situation.

4. Wage subsidies up to 75% for SMEs in the affected fields for a period of 3 to 6 months;

5. The reactivation of the State Aid Scheme for investment support which promotes regional development through job creation adopted by Government Decision No 332/2014.

B. FINANCIAL SUPPORT MEASURES:

1. Support for the working capital with 0 interest

Ensuring of the legal framework for banks to provide zero-interest loans to SMEs for the working capital and leasing, in particular in sectors strongly affected by the coronavirus: tourism, hotels and catering, wholesale and retail trade, transport, logistics and storage, culture and entertainment.

FNGCIMM should offer guarantees of 80% and the state of 20% for SMEs accessing credits in the production sector, especially in sectors that are heavily affected, and who want to return to economic activity

2. Subsidies of loan interest rates

The epidemic-hit SMEs, which have bank loans, have the possibility of refinancing or extending maturity periods for loans and interest payments reduced by at least 50%.

3. Deferral of tax payments for SMEs in difficulty. SMEs with tax difficulties due to the coronavirus epidemic can apply for deferred tax payments up to 3 months without penalty;

 4.Introduction of the institution of the SME credit mediator.

C. SOCIAL MEASURES

1. Granting leave to one of the parents (or single parent/legal representative taking care of the minor) under the age of 12, in exceptional cases – epidemics, adverse weather conditions – leading to the closure of the immune units. The salary payment in these cases is to be charged to the unemployment insurance budget at 75% of the net wage in the previous month.

2. The Health Ministry shall pay in full and directly from the health insurance fund, the corresponding sick for the sick and quarantined employees (without payment from the employer and then to recover the money from the health fund).

**SPAIN**

**Measures taken by the Spanish government**

The Spanish Government has approved a [Royal decree-Law](https://www.lamoncloa.gob.es/lang/en/gobierno/councilministers/Paginas/2020/20200317council.aspx) with the following measures:

* Government to mobilise up to 200 billion euros, almost 20% of GDP, to address economic and social impact of coronavirus, of which 117 billion euros will be public funding the rest will be complemented by freeing up private resources.

**ERTEs (lays-off of employees):**

* prioritise the suspension of contracts and reduction of working days  as an option prior to dismissing workers
* lays off to be considered as force majeure
* workers entitled to unemployment benefit
* self-employed exempted from National Insurance Constributions, facilities will be given to receive benefits

**Liquidity of the companies:**

* in case of ERTEs, the enterprises do not need to pay social contributions
* avoid lack of liquidity turns into insolvency: the enterprises are exempted from the obligation to start the insolvency procedure while the "state of emergency" is in force and not earlier than two months after the "state of emergency" is lifted.
* 100.000 million in guarantees. On March 24th, the Government released a first tranche of € 20 billion, out of a total of 100 billion €. The Government will cover up to 80% of the guarantees for SMEs and up to 70% for the big companies.

The Catalan Government has announced the same measure from the Catalan Institute of Finances but the total amount of the guarantees is 1 billion.

* Self-employed
* The Catalan Government foresees 2,000 € per self-employed until 7.5 million Euros. PIMEC believes this budget needs to be tripled, as it is only good for 4,500 self-employed.
* Spanish Government: the self-employed that cease the activity will receive compensation depending on the amount of his/her social contribution, normally 670 €/month.
* reform on foreign investment to prevent companies from outside of the EU taking control of Spanish businesses in strategic sectors, by taking advantage of the temporary drop of their shares´value

**Digitalisation:**

* The speed up of a support program to help enterprises digitalise.

**ADDITIONAL MEASURES**

On 29 March, the Council of Ministers decided to suspend the economic activity of non-essential companies. The enterprises that are functioning via teleworking can continue to do so. The new measures mostly affects construction and industry.

The Spanish Government foresees that workers will continue to receive their salaries and will need to recuperate the working hours of the following two weeks at a later stage and before 31st December.

**What organisations ask/do**

* The organisations deplore that the additional measures of 29 March were announced on Saturday afternoon and are applicable as of the following day, 30th March until April 9th. They consider the measures as "improvised" since enterprises can neither react nor adapt to it.
* The aforementioned budget on self-employed foressen by the Catalan government needs to be tripled, as it is only good for 4,500 self-employed.
* Self-employed measure announced by the Spanish government: this application is too time-consuming and requires many accompanying documents.
* Significant measures deployed by the Spanish government such as the ERTEs, the application of telework or the exemption of social contribution to business forced to shut down -while workers are not losing their own social contributions- can help enterprises to cope with this issue.
* Before the approval of the Spanish Royal Decree Law, oganisations already asked for the implementation of economic measures in order to minimise the consequences of the current crisis on SMEs and self-employed:
	+ speed up the administrative procedures, in particular on the temporal lay-off of staff (expedientes de regulación temporal de empleo (ERTE))
	+ widening the scope of ERTE as force majeure
	+ immediate suspension of the social contributions of SMEs and self-employed
	+ postpone the VAT payment and compensation of fiscal debts
	+ widening of the contingency funds to provide liquidity to SMEs and self-employed as well as easy and quick access to credit
	+ postpone the payment of mortgages and credits
	+ cancellation of the power ratio of the energy bills
	+ immediate payment of the outstanding bills of the public administration
* The support program to help enterprises digitalise should include support to purchase IT equipment to put in place tele-working by SMEs .
* The urgent implementation of the measures of Royal decree of 17th March. Enterprises need to immediately access finance and be aware of the necessary administrative procedures and structure of the loans.
* Welcome the fact that the Royal Decree foresees the possible suspension of public contracts in certain circumstances. Contractors can ask for an indemnity. However, would this indemnity to be extended to sub-contractors, the majority of which are SMEs and self-employed.
* Additional fiscal measures could be avoided with other possible measures such as the immediate payment of outstanding invoices by the Public Administration. In the case of Catalonia, the payment would suppose an injection of 2.900 million Euros into the enterprises, 13 billion in the Spanish economy.
* On 22nd March, the Retail, Tourism and Horeca sectors of Catalonia jointly ask the Spanish Government to urgently approve an imminent suspension of payment of the following taxes: TVA, personal income tax and social security contributions. This measure would give enterprises in these sectors up to 700 million euro of liquidity per month.

**TURKEY**

**Measures taken by the Turkish government**

See [brochure/info](https://www.business4goals.org/wp-content/uploads/2020/03/COVID-19-Business-Brief-20032020-EN.pdf) note on Turkey’s coronavirus response for businesses. It has been prepared through the Business for Goals Platform in partnership with United Nations Development Programme in Turkey and TUSIAD.

**UNITED KINGDOM**

**Measures taken by the British government**

Government measures, the majority of which were announced in last week’s budget:

* Her Majesty’s Revenue & Customs (HMRC – the UK government tax collection dept.) has now set up a dedicated phoneline for coronavirus-related challenges to help small businesses unable to pay their taxes on time (corporation tax, income tax, PAYE, VAT) with options to defer or delay payment. Known as ‘Time To Pay’, the helpline has 2,000 dedicated staff available.
* The Government has agreed to cover the costs of 14 days of Statutory Sick Pay (SSP) per employee, for those off work due to coronavirus, in SMEs. This will cover all companies up to 250 employees as at 28 February 2020. We are currently working with government to figure out how this will work in practice, but it will likely be a rebate claimed from HMRC.
* In addition, the government announced a change in policy to SSP, meaning that workers can claim it from day one of sickness rather than day four as is normal. The SSP rebate referred to above has been brought in line with this.
* The Employment Allowance has been increased to £4000. This means that small employers with a National Insurance (akin to social security) bill of £100,000 or less will be have funding to cover the normal National Insurance bills for up to four employees.
* Business rates (local taxation payable to local authorities, based on a complex “rateable value” system) changes:
	+ The Government announced in the Budget that small businesses with a rateable value of between £12K and £51K in England, across retail, hospitality and leisure sectors will see their relief increase from 33% to 100%, for one year. Pubs will additionally also get a £5,000 discount. In total, an estimated 900,000 businesses will now not pay business rates for one year.
	+ 700,000 businesses that already qualify for Small Business Rate Relief or Rural Rate Relief will be given a £3,000 cash grant.
* The Government has suspended the ‘minimum income floor’ from Universal Credit (UC) for the self-employed, so those in the system due to low income are no longer held to the assumption that they earn the equivalent of the living wage (£8.72 p/h). The requirement for UC applicants to attend job centres in person has also been dropped, with a move towards phone/online consultation.
* Self-employed individuals eligible for Employment Support Allowance (ESA) who test positive for coronavirus or who are in self-isolation will be able to claim from day one of a claim instead of waiting the usual seven days.
* The Department for Business, Energy and Industrial Strategy (BEIS) has launched a dedicated business support helpline, where small business owners in England can get advice on how to minimise/cope with the impacts of coronavirus. The Scottish, Northern Irish, and Welsh governments have set up their own versions. In addition, the Bank of England has:
* Cut interest rates from 0.75% to 0.25%.
* Announced the introduction of a new Term Funding Scheme with additional incentives for SMEs. The scheme will, over the next 12 months, enable banks and building societies to access Bank of England funds equivalent to 5% of their lending to the real economy at an interest rate very close to the BoE’s 0.25% bank rate. It is expected that this scheme could provide upwards of £100 billion in financing for SMEs.

More info can be found in the Bank of England press release [here](https://www.bankofengland.co.uk/news/2020/march/boe-measures-to-respond-to-the-economic-shock-from-covid-19).

* The British Business Bank (state-owned, UK development bank) is setting up a Coronavirus Business Interruption Lending Scheme which will provide lenders with a government-backed 80% guarantee against the outstanding facility balance. We hope this will enable a ‘no’ decision from a bank to become a ‘yes’.

ADDITIONAL MEASURES

* The government announced an income support scheme for the self-employed. This will allow self-employed individuals to claim a taxable grant worth 80% of their trading profits up to a maximum of £2,500 per month for the next 3 months. This scheme may be extended if needed. The scheme is available to those with trading profits of less than £50,000 p/a, with these profits constituting more than half of the individuals taxable income, as long as they have also:
	+ submitted their Income Tax Self Assessment tax return for the tax year 2018-19
	+ traded in the tax year 2019-20
	+ are trading when they apply, or would be except for COVID-19
	+ intend to continue to trade in the tax year 2020-21
	+ have lost trading/partnership trading profits due to COVID-19
* The Government has temporarily suspended wrongful trading provisions retrospectively from 1 March 2020 for three months for company directors so they can keep their businesses going without the threat of personal liability.
* The Competition & Markets Authority (CMA – the UK’s competition regulator) has relaxed competition rules for retailers in the groceries sector. In practice these businesses will have a temporary exemption allowing them to engage in what are usually anti-competitive behaviours – these include:
	+ allowing retailers to share data on stock levels
	+ cooperation on keeping stores open
	+ sharing distribution depots and delivery vans
	+ pooling staff to help meet demand

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