Covid-19

Governmental measures INTERNATIONAL

Update **#07**

Deal Advisory | France

30 March 2020

kpmg.fr

Note to the reader

The materials contained in this document are intended for general reference and do not constitute advice from KPMG International or any of its member firms.

Readers of these materials who have specific questions regarding the matters discussed herein are encouraged to contact their KPMG advisor or other advisor. The materials are updated as new developments emerge but readers should recognize the rapidly evolving nature of the underlying subject matter.

Contents

The contact at KPMG in connection with this document is:

Barema Bocoum
Partner, restructuring, France
Cell: +33 6 23 01 83 56

For any question related to this pack please contact us at covid19-DA@kpmg.fr

Selected updates of the day

Changes in selected geographies	— France: The Minister of the Economy declared on March 27, that the companies that would distribute dividends in 2020 would have to reimburse the Covid 19 crisis-related aid they have received. No further details on this announcement have been communicated at this stage by the Government. — Germany: If companies are directly affected by the coronavirus, tax authorities are encouraged to waive enforcement measures and late payment penalties. This applies until the end of the year 2020. — Russia: Small and midsized businesses will receive a six-month tax deferral for all taxes excluding VAT and social insurance payments — India: All lending institutions are being permitted to allow a moratorium of three months on repayment of instalments for term loans outstanding as on March 1, 2020
Countries added to this document	New countries in this document: — Europe: Ukraine — Americas: Venezuela
Updated information	Updated information regarding: — Europe: Belgium, France, Germany, Italy, Russia — Asia, Oceania: India — Americas: Argentina, Colombia
Institutions added to this document	New institutions in this document: — European Union — Organisation for Economic Co-operation and Development (OECD)

Europe - Countries from A to G

Highlighted in yellow = changes or additions as at 30 March 2020

Austria (1/3)

Contacts:
Tax: Christoph Plott – cplott@kpmg.at
Restructuring: Michael Nayer – mnayer@kpmg.at

Reduction / non-assessment of (corporate) income tax advance payments 2020:

— If a taxpayer can credibly state that he is affected by coronavirus (COVID-19) infections, advance payments for (corporate) income tax 2020 may be reduced even to zero as the case may be. This will be the relevant in industries in which a significant economic decline due to the current situation is expected. Applications can be submitted until October 31, 2020

Deferral of payment and payment instalments:

— The taxpayer can apply to his tax office for deferral of payment of a tax or to pay the tax in instalments. Such applications lie in the discretion of the tax office which must, however, strongly consider the situation triggered by the SARS-CoV-2 virus. According to the wording of the published information this possibility is not restricted to specific taxes. Applications for deferral or payment in instalments may also be possible for all taxes, for instance also for advance VAT payments, but needs to be confirmed

— Until an application for deferral is answered by the tax office, there is no payment obligation and no collection measures may be taken by the tax authorities.

Customs/Import and Other Miscellaneous Taxes

The Austrian government in a draft bill has proposed that no stamp tax (duties) would be levied on any documents directly or indirectly related to any measures required to deal with the coronavirus crisis.

Filing/Payment Deadline Extension

Upon request and based on specific impact of the virus on the particular situation:

— Tax prepayments for individual and corporate income tax

— purposes may be reduced to zero upon request.

— Late payment penalties may be reduced or waived upon request.

— Tax authorities may defer taxes if their collection would lead to significant hardship or agree to payments in instalments.

Austria (2/3)

Suspension of Tax Audits

— The Austrian government in a draft bill has proposed measures that would extend all the deadlines for appeals to May 1, 2020, in cases for which the statutory periods were opened on March 16, 2020 or that commenced on or after March 16, 2020.

Sectorial support measures

— Austria is introducing support measures for sectors heavily affected by the outbreak, such as tourism and air transportation, and uses existing measures to reduce hours worked (Kurzarbeit). EUR 100 million are available for loans to hotels that suffer more that 15% losses in sales.51 The maximum is 80% of the loan or EUR 500 000.

Loan guarantees

— The Austria Wirtschaft service (AWS) is providing new guarantees for SMEs worth EUR 10 million up to 80% of the loan amount or EUR 2,5 million for 5 years.52 The guarantees will have a one-time processing fee starting with 0.25 % of the amount to be financed and a guarantee fee, starting with 0.3 % p.a. (variable to risk) of outstanding liability.

Crisis management fund

— On 15 March, a COVID-19 crisis management fund was announced, with EUR 4 billion in funding.54 On 18 March, a further EUR 38 billion support fund was announced. The measures include:

- EUR 9 billion in guarantees and warranties;
- EUR 15 billion in emergency aid;
- EUR 10 billion in tax deferral.

Austria (3/3)

Main sources of information

— Aid package of up to 38 billion euros to deal with the coronavirus consequences: https://www.bundeskanzleramt.gv.at/bundeskanzleramt/nachrichten-der-bundesregierung/2020/hilfspaket-von-bis-zu-38-milliarden-euro-zur-bewaeltigung-der-coronavirus-Folgen.html

— Austria: Additional tax relief, in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-austria-additional-tax-relief-response-coronavirus.html

— Austria: Tax relief measures regarding coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-austria-tax-relief-measures-regarding-coronavirus.html

— Covied-19 overview: https://www.bmdw.gv.at/Themen/International/covid-19.html

Highlighted in yellow = changes or additions as at 30 March 2020

Belgium (1/5)

Contacts:
Tax: Eric Warson – ericwarson@kpmg.com
Restructuring: Jorn De Neve – jdeneve@kpmg.com

Measures taken by the federal tax authorities

Businesses are (automatically) granted the following temporary extensions of the deadline to file tax returns and pay taxes:

Income taxes

— For corporate, legal entities, non-resident tax returns with a deadline between 16 March and 30 April 2020, an extension is granted until 30 April 2020

— The deadline for paying wage withholding tax for February and March/Q1 2020 is automatically extended by 2 months

— The payment of income taxes related to AY 2019 and established as from 12 March 2020 is automatically extended by 2 months

VAT

— The deadline for filing VAT returns and intra-Community statements for February and March/Q1 2020 is extended to 6 April and 7 May 2020, respectively

— For starters and businesses with a monthly VAT refund licence that wish to receive a monthly repayment of VAT credit, an extension of the filing deadline of the VAT return is granted until the 24th of the month following the return period

— The deadline for filing the annual sales listing is extended to 30 April 2020

— The deadline for paying VAT for February and March/Q1 2020 is automatically extended by 2 months

Businesses can also ask for other support from the tax authorities regarding their tax debts. This support includes

— A payment plan;

— An exemption from late payment interest;

— A waiver of fines for non-payment.

Specifically, this support can be requested for the following tax debts:

— Corporate Income Tax and Income Tax on Legal Entities;

— Value Added Tax;

— Wage Withholding Tax;

— Personal Income Tax.

Belgium (2/5)

Measures taken by the federal tax authorities (continued)

Businesses are only eligible for this support if they are adversely affected by the Coronavirus crisis and if they are able to substantiate that (e.g. a drop in turnover, a serious drop in orders and/or reservations, as a result of domino-effect within a group , etc.). Businesses are not eligible for support if they are already facing structural payment difficulties.

Support is also conditional upon compliance with the timely filing of tax returns (with the given extensions). Support will be withdrawn if a collective insolvency procedure (e.g. bankruptcy) arises.

An application must be filed for each tax debt separately through a specific form. This application must be filed at the moment of receipt of the tax assessment or payment notice, and before 30 June 2020. The competent regional collection office serves as the single point of contact.

The ruling commission introduced a special 'fast track' procedure for the **home work allowance** of 126,94 EUR. All employees working at home due to special Corona measures will be entitled to the maximum amount of 126,94 EUR without a distinction in function categories. The new home work allowance will replace the current 'office' allowance if applicable. The ruling can be obtained in a few days, following a special procedure.

A circular letter confirms that the COVID-19 outbreak is an exceptional and specific circumstance which justifies the exemption of **write-downs on commercial receivables** held on companies that show a delay in payment of the receivables, resulting directly or indirectly from actions taken by the federal government.

Tax audits are postponed until 5 April 2020

Belgium (3/5)

Measures taken by the federal tax authorities

Tax reliefs for donations:

— By Circular 2020/C/46 of 24 March 2020, temporary tax reliefs are provided with respect to the donation of medical aid devices and protective gear and clothing to hospitals. Medicines are excluded from the scope of the tax reliefs. The tax reliefs apply to donations made in the period between 1 March 2020 and 30 June 2020.

— Accordingly, businesses are not required to pay VAT on the qualifying donations. At the same time, the costs incurred in relation to the donated products are tax deductible for corporate (business) income tax purposes. Additionally, for personal income tax purposes, a temporary tax credit is available for the in-kind donation of medical products to hospitals with a value of at least Euro 40. The tax credit amounts to 45% of the actual value of the donation in-kind, subject to limitations.

Measures taken by the social security authorities

— An extension is granted for the deadline to pay social security contributions for the first and second quarter of 2020 until 15 December 2020. The extension is granted to businesses which have been forced to close.

— Businesses can also request a payment plan for their social contributions which are due for the first and second quarter of 2020. This plan allows for payment to be spread over a maximum of 24 months. Businesses must file a specific application form wherein they must provide evidence of the financial impact of the crisis on their business.

— Businesses can also invoke temporary unemployment as a result of “force majeure”. This possibility can be widely applied as from 13 March 2020. Employees will benefit from a temporary increase of their allowance in the event of temporary unemployment.

— In the latest update of their quarterly instructions, specifically with respect to the COVID-19 measures, the Belgian social security authorities confirmed that a possible supplementary pay of the employer, in addition to the temporary unemployment allowance can be allocated to the employee with exemption of Belgian social security provided that the eventual total net pay (allowance + supplement) will not be higher than the regular net salary should the employee have worked.

Highlighted in yellow = changes or additions as at 30 March 2020

Belgium (4/5)

Measures for the self-employed

— Cancellation or deferral of social contributions for the self-employed;

— Reduced social contributions for self-employed conditional on proving a decrease in revenue due to the outbreak;

— If the self-employed are obliged to interrupt or stop their activity because of the crisis they can apply for a replacement income.

Measures taken by the Flemish government

— The assessment notices regarding immovable withholding taxes will only be sent in September 2020 (instead of March 2020)

— The government has provided a budget for guarantees for bridging loans which businesses are forced to contract in order to be able to pay their bills

— The assessment of car taxes will be postponed by 4 months

— When small businesses are forced to close their business, they can apply for a tax-free premium to compensate their loss of business

Measures taken by the Walloon government

Tax Measures

— Taxpayers will benefit from a suspension of the tax payment deadlines during the crisis

— Deadlines for claims against assessment will be frozen

— Negative administrative decisions will be frozen. However, all positive decisions will be applied.

— Moderation of current recovery procedures, payment plans will be facilitated

— All physical and correspondence audits are eliminated

— Administrative fines for the mileage tax will be moderated.

Other measures

— (Very) small businesses in certain sectors can ask for compensation if they are forced to close

— Mobilisation of regional agencies (SOWALFIN, SOGEPA-Wallonie Santé Group, SRIW) via loans, guarantees, frozen reimbursements, etc.

Belgium (5/5)

Measures taken by the Brussels government

The Brussels government has also taken a series of measures totalling 110 million EUR including:

— A one-off premium for some sectors (horeca, travel, retail, …) which are affected by the emergency measures and are forced to close.

— The abolition of the regional City Tax for the first semester of 2020.

— Government guarantees on bank loans for 20 million EUR.

— The accelerated treatment of grants of expansion support for certain sectors (horeca, tourism, culture and events).

Main sources of information

— Belgium: Tax relief in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-belgium-tax-relief-in-response-to-coronavirus.html

— The coronavirus and its consequences: https://economie.fgov.be/fr/themes/entreprises/le-coronavirus-et-ses

— Coronavirus: reduction of economic losses for companies: https://economie.fgov.be/fr/themes/entreprises/coronavirus/informations-pour-les/coronavirus-reduction-des

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Bulgaria (1/1)

Contacts:
Tax: Kalin Hadjidimov – khadjidimov@kpmg.com

Relief measures mitigating the adverse impact of the outbreak on the business

— The government is considering various relief measures aimed at supporting the business in these challenging times. For the time being, it is not known for certainty which measures will be actually adopted. It seems that the deadlines for filing the VAT package and the terms for payment of the monthly VAT liabilities towards the budget will not be prolonged. It is still not clear whether and in what cases sanctions and penalty interest for delays will be waived.

— The only formal proposal made by the government into the Parliament so far which may have VAT implications concerns the terms under pending court and administrative procedures. As per the proposed measure, these terms will be suspended for the duration of the emergency state. If this measure is approved by the Bulgarian Parliament it will have an impact for control procedures such as tax audits, tax checks, appeals of tax assessment acts, etc.

Suspension of Tax Audits

— The Government has proposed the suspension of the terms under pending court and administrative procedures for the duration of the emergency state. If this measure is approved by the Bulgarian Parliament it would have an impact on procedures such as tax audits, tax checks, appeals of tax assessment acts.

Customs/Import and Other Miscellaneous Taxes

Tax provisions included in the budget estimates for the province of Saskatchewan:

— A three-year extension to the non-refundable manufacturing and processing exporter tax incentive

— A new provincial sales tax (PST) rebate for new home construction

— New PST registration requirements for certain e-commerce platforms

— New incentives to support pipelines and the chemical fertiliser sector

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Croatia (1/3)

Contacts:
Tax: Paul Suchar – psuchar@kpmg.com
Restructuring: Goran Horvat – ghorvat@kpmg.com

The Croatian government on 17 March 2020 proposed certain tax relief measures to mitigate the effects caused by the coronavirus (COVID-19) epidemic. The proposed amendments are pending parliamentary consideration, but it is not expected that the proposed amendments would be substantially changed during this process. Among the tax relief measures, are provisions that would:

— Amounts received by individuals and companies as grants to mitigate the special circumstances caused by the coronavirus would not be considered taxable for individual income tax or corporate profit tax purposes

— Refunds of assessed individual (personal) income tax and city surtax would be paid to the taxpayer upon issuance of the relevant tax assessment (with no change to the deadline for the right to file an objection), while the deadline for payment of any assessed individual income tax and city surtax liabilities remains unchanged

— Allow taxpayers to defer payment or to arrange an instalment payment plan for their tax liabilities, social security contributions and certain non-tax levies without being subject to interest being imposed during the period of deferral of payment (payments in instalments) (this would not start the statute of limitations) for a period of three months, which can be extended. Thereafter, payments can be made in instalments of 24 months;

— Measures for financial liquidity including a three-month moratorium on liabilities to the Croatian Bank for Reconstruction and Development (HBOR) and commercial banks, as well as the approval of loans for cash flow in order to pay wages, suppliers and to reschedule other liabilities;

— The approval of new loans for liquidity for enterprises to finance wages, utility costs and other basic business operating costs;

— Increasing of the allocation for the 'ESIF micro loans" for working capital for micro and small enterprises implemented by the Agency for SMEs, Innovation and Investments (HAMAG-BICRO);

— A new financial instrument "COVID-19 loans" for working capital for small and medium-sized enterprises.

There is currently no extension of the deadlines for filing of tax returns or other returns.

Croatia (2/3)

On Tuesday, March 24, 2020, new provisions of the Regulations to the General Tax Law, which regulate the implementation of the tax payment deferral procedure in special circumstances, entered into force.

Available tax payment deferral measures

— Deferral of payment of tax liabilities due without charging penalty interest for a period of three months from the due date, with the possibility of extending the period for an additional three months

— Payments of deferred tax liabilities in instalments up to 24 months.

Tax liabilities covered by tax payment deferral measures

— Liabilities due for taxes (other than VAT), contributions and other public charges (excluding customs duties and excise duties) due until 20 June 2020.

— VAT liability that is due within three months, starting with the VAT liability due in April.

Who can submit an application for tax payment deferral measures

— Any entrepreneur who meets the indicators of inability to settle tax liabilities due and who has no outstanding tax liabilities at the date of submission of the application, i.e. if the amount of the outstanding tax liabilities is less than HRK 200.

— Exceptionally, an application for VAT deferral can be submitted only by an entrepreneur whose amount of supplies of goods and services in the previous year has not exceeded HRK 7,5 million (VAT excluded) and whose tax base is determined based on the supplies made

Croatia (3/3)

Main sources of information

— Overview of Government measures to mitigate the effects of special circumstances caused by the coronavirus epidemic: https://home.kpmg/hr/en/home/insights/2020/03/overview-of-government-measures-to-mitigate-the-effects-of-special-circumstances-caused-by-the-coronavirus-epidemic.html

— Croatia: Tax relief measures in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-croatia-tax-relief-measures-in-response-to-coronavirus.html

— Set of measures adopted to prop up economy during COVID-19 epidemic: https://vlada.gov.hr/news/set-of-measures-adopted-to-prop-up-economy-during-covid-19-epidemic/29024

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Czech Republic (1/3)

Contacts:
Tax: Patrick Leonard – pleonard@kpmg.cz

1. Tax related support for business

General measures

— **Waiver of fines for late submission of personal and corporate income tax returns as well as default interest for late payments until 1 July 2020.** The exemption applies only to returns for the 2019 tax year which had an original submission deadline of 1 April 2020 (including income tax billing).

— **Waiver of income tax advance payments due on 15 June 2020** without the need to apply for a waiver (this applies only to taxpayers with the calendar year as the tax year).

— **Waiver of the fine for late submission of VAT Control Statement**

- The CZK 1,000 penalty for late submission of the VAT Control Statement will be waived, if it was incurred between 1 March and 31 July 2020.
- If a fine for the VAT Control Statement (in connection with COVID-19) has been waived upon individual request, the fine for late submission of VAT returns for the same period will also be automatically waived.

— **General waiver of administrative fees**

- Administrative fees for the submission of applications in the above cases submitted before 31 July 2020 will be waived.
- Administrative fees connected with the receipt of an application for a refund of import taxes with the remission of outstanding customs fees and fees associated with the receipt of an application for authorisation of a tax or customs duty pursuant to the Union Customs Code will be waived if connected to applications submitted between 24 March 2020 and 31 July 2020.

— **Waivers of penalty for late payments of immovable property tax returns and of default interest on late payments of immovable property tax** shall apply to all tax returns filed between 31 March and 31 July 2020. The blanket waiver also applies to interest on deferred tax.

— **Suspension of the obligation to apply the electronic registration of sales** for the period of emergency and the following three months (valid for all entities).

Individual measures

– **Possibility to request individually remission of late payment interest for late payment or payment of tax in instalments if taxpayer proves COVID-19 related reasons.** If the application is at least partially granted, the fine for late submission of the tax claim (tax return, settlement and reporting) will be waived. This measure applies to all taxes, including withholding taxes, VAT, etc., and is not limited to the 2019 tax year.

– If a taxpayer applies for the remission of interest for late payment of forholding tax and can reliably prove that the delay was due to extraordinary measures, all default interest for late payment will be forgiven (this should include tax advance payments).

– **The introduction of a 'loss carry-back' programme for 2020.** If a taxpayer reported a tax liability in 2018 or 2019 and reports a tax loss in 2020, the loss could be deducted from the tax base for 2018 and 2019, thus a claim for a tax refund could arise (in the Ministry of Finance's proposal).

Important website

- **Ministry of Finance** (https://www.mfcr.cz/en/)
- **Financial Administration** (https://www.financnisprava.cz/en/)
- **The Czech Social Security Administration** (https://www.cssz.cz/web/en)
- **Ministry of Industry and Trade** (https://www.mpo.cz/en/)
- **Ministry of Labour and Social Affairs** (https://www.mpsv.cz/web/en)

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Czech Republic (2/3)

2. Support for employees and employers

Financing

— **Possibility of interest-free financing for self-employed people and small and medium-sized enterprises affected by COVID-19 - COVID loan.**

  – Without interest and other fees in the range of CZK 500,000 to 15 million (up to 90% of eligible costs can be paid).

  – The maturity period is set at up to two years from the conclusion of the contract, with the possibility of postponing repayment up to one year from the conclusion of the contract. Applications were launched on 16 March 2020

— The Czech National Bank has decided to **lower key interest rates (repo rate) to 1.75%.**

— **An increase in the state budget deficit from CZK 40 billion to CZK 200 billion** was approved to finance the effects of the COVID-19 measures.

— **Commercial banks to individually discuss deferred loan repayments with clients.**

Compensation of wage costs

— **Caregiver allowances will be paid by the state to employees (one parent/caregiver) who must take care of children under 13 years of age and older handicapped children not attending school during the COVID-19 emergency** when schools and other child care facilities are closed. The allowance amount will be about 60% of the wage. For a self-employed person, the compensation will be CZK 424 per day.

– **Anti-virus Programme - the programme aims to protect jobs with employers directly affected by government restrictions connected with COVID-19**. A wage allowance will be provided by the Labour Office of the Czech Republic based on an application submitted by the employer.

  – **Mode A** - Quarantined employees. Compensation of wages or salaries will be paid to employees in the amount of 60% of the average assessment base. The employer will be provided with full compensation of paid wage compensation.

  – **Mode B** - Impossibility to assign work to employees due to government emergency measures (employer is ordered to close operations). Compensation of wages or salaries is paid to the employee in the amount of 100%. The employer will receive a contribution equal to 80% of the wage compensation paid.

  – **Mode C** - Inability to assign work to employees due to quarantine or childcare for a significant proportion of employees (at least 30% of company/operation employees). Compensation of wages or salaries is paid to the employee in the amount of 100%. The employer will receive a contribution equal to 80% of the wage compensation paid.

  – **Mode D** – Limitations in the availability of inputs (raw materials, products, services) necessary for the employer's activity as a result of quarantine measures (or generally, production failures) at suppliers, including foreign ones. Compensation of wages or salaries is paid to the employee in the amount of 80%. The employer will receive a contribution equal to 50% of the wage compensation paid.

  – **Mode E** - Restricting demand for employer's services, products and other products as a result of quarantine measures at the employer's point of sale (the Czech Republic and abroad). Compensation of wages or salaries is paid to the employee at least 60%. The employer will receive a contribution equal to 50% of the wage compensation paid.

Highlighted in yellow = changes or additions as at 30 March 2020

Czech Republic (3/3)

3. Others

The Government of the Czech Republic declared a state of emergency for the Czech Republic from 2 pm on 12 March 2020 for a period of 30 days.

Other government measures

- **No entry to the territory of the Czech Republic for all foreigners** (except for foreigners staying temporarily over 90 days or with permanent residence in the Czech Republic).
- **Prohibition for citizens of the Czech Republic and foreigners with permanent or temporary stay over 90 days in the Czech Republic to leave the Czech Republic** (exceptions possible for persons who prove that they are employed within 100 km from the state border).
- **Internal border controls with Germany and Austria and airspace border controls have been restored; the state border with Slovakia and Poland is closed**.
- Acceptance of visa applications, temporary and permanent stays; procedures for applications for short-stay visas, procedures for applications for residence permits over 90 days have been suspended until further notice.
- All schools and educational establishments are closed and cultural, sporting, etc. events are banned.
- International passenger transport (road, rail, water) by means of transport with a capacity of over nine persons has been banned.

Important website

- **Government of the Czech Republic** (https://www.vlada.cz/en/)
- **Ministry of Interior** (https://www.mvcr.cz/mvcren/)
- **Ministry of Foreign Affairs** (https://www.mzv.cz/jnp/en/index.html)
- **Ministry of Health** (https://www.mzcr.cz/Cizinci/)

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Denmark (1/4)

Contacts:
Tax: Ole Schmidt – ole.schmidt@kpmg.com
Restructuring: Dale Treloggen – dale.treloggen@Kpmg.Com

Tax Payment:

— The payment deadline for "A-tax" and labour market contributions for April, May, and June 2020 is to be postponed by four months. (but no changes to the deadlines for reporting A- tax and labour contributions)

— The payment of "B-tax" for self-employed persons for April is to be postponed from 20 April 2020 to 20 June 2020. Similarly, payment of B-tax for May 2020 is to be deferred from 20 May 2020 to 20 December 2020.

VAT Payment:

— A one-month delay of the deadlines for the declaration and payment of VAT for certain entities (typically large companies) that are on the monthly reporting and paying basis (the declaration period will be the 25th day of the second month following the end of the tax period for the tax periods from March 2020 to May 2020)

— Companies subject to quarterly VAT reporting are granted an extension until September 1, 2020 to state the VAT for the first and second quarters (Q1 and Q2) of 2020. However, if VAT liability for Q1 2020 is negative, it is still possible to report VAT for Q1 by 1 June 2020 so that the negative response can be "paid out" (refunded).

— A temporary increase of the amount of credit balance in the tax account (the current limit of DKK 200,000 that the companies may have in the tax account, is proposed to be increased to DKK 10 million, until 30 November 2020)

Entertainment event support byt Ministry of Finance, 10th of March

— Cash subsidy to compensate for direct and indirect costs relating to the cancellation or postponement of larger entertainment events (e.g. concerts, sports, etc.). The subsidy serves to cover costs only and should not result in a profit for Event organising companies

Denmark (2/4)

Reduced loan restrictions by Ministry of industry, business and financial affairs, 12Th of March 2020

Since the financial crisis, banks and mortgage institutions have been required to reserve 1 % of its total funds as a buffer against a new financial crisis. This restriction now no longer applies, which is expected to improve the financing environment for companies.

Loan guarantees by Ministry of Finance, 12Th of March 2020

The government provides a loan guarantee on 70 % of new corporate loans that are issued to cover losses directly relating to COVID-19. The loan amounts up to DKK 1 billion in losses (total in Denmark) intended for all companies that are:

— Small and medium size companies: Operating losses of 50% or more.

— Large companies: Revenue losses of 30 % or more.

Sick leave benefits subsidy Ministry of Finance, 12Th of March 2020

Sick leave benefits are normally provided by the employer in the first month of illness, however, now, if related to COVID-19, the government will cover these, it is intended for all companies which Illness has to be related to COVID-19.

Salary compensation, 15th of March 2020

The government will subsidise 75 % of the salary costs for employees that otherwise would have been fired as a result of the company's financial losses caused by COVID-19. The subsidy has a fixed cap per employee on a monthly basis.

SAS guarantees, 17th of March 2020

The Danish and Swedish government offers new larger guarantees to SAS, amounts up to DKK2 billion

Denmark (3/4)

Self-employed compensation 19th of March, 2020

The government will compensate self-employed for 75 % of lost revenue resulting from COVID-19. The subsidy has a fixed cap per month. It is directed to self-employed with:

— Expected revenue decline by more than 30 % as a result of COVID-19.

— Less than 10 employees.

— Average revenue above DKK15,000 per month in a prior period.

— Owner's personal income to be less than DKK0.8 million in 2020.

With an amount up t DKK23,000 per owner in which each owner owns a minimum of 25 %, it is limited to the period from March 9 to June 9 and the subsidy cannot be combined with other COVID-19 subsidies (such as cost coverage)

Cost compensation, 19th of March 2020

The government will subsidise 25 to 80 % of a company's fixed costs if the company's revenue is expected to decline significantly as a result of COVID-19.

The share of fixed costs that are subsidised depends on the expected revenue decline:

— 80 % if revenue decline of 80 -100 %

— 60 –80 % if revenue decline of 60 -80 %

— 25 % if revenue of 40 -60 %

In addition, companies that have been commanded to shut down will get all of its fixed costs subsidised.

The cost compensation is limited to the period from March 9 to June 9. Max compensation in the period per company: DKK60 million. If actual revenue decline turns out to be less, the subsidy should be refunded. The companies requirements are:

— Expected revenue decline by more than 40 % as a result of COVID-19.

— Minimum monthly fixed costs: DKK25,000.

— Documentation on the expected revenue decline has to be signed by an auditor. This cost will be partly refunded by the government in case the application is successful.

Denmark (4/4)

Export credit Guarantee, 19th of March 2020

The government has increased its guarantee with the public export credit agency ("EKF") to allow for additional loans to Danish companies within exports that are struggling with liquidity due to the impact of the COVID-19 .

Travel guarantee fund Guarantee, 19th of March 2020

The Danish Travel Guarantee fund ("Rejsegarantifonden") offers financial support to end customers if a travel agency goes into bankruptcy. The government has increased its guarantee with the fund by DKK1.5 billion.

In addition, the objective of the fund has been changed to also potentially provide financial support to travel agencies for cancelled travel arrangements.

Main sources of information

- Denmark: Tax relief in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-denmark-tax-relief-in-response-to-coronavirus.html
- Ministry of finance: https://www.fm.dk/

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Estonia (1/1)

Contacts:
Tax: Joel Zernask – jzernask@kpmg.com

Estonia has launched a EUR 2 billion support programme, including:

— Loan collateral amounting to EUR 1 Billion for bank loans already issued in order to allow for repayment schedule adjustments (maximum EUR 600 Million for the surety collection) through the KredEx Foundation;

— Tax deferral for 18 months;

— Tax incentives, and;

— Suspension of payments into the pension system.

Estonia announced it would share digital education tools developed by its start-ups to other countries. Furthermore, community initiatives were launched to support small business.

Main sources of information

— Republic of Estonia - Tax and Customs Board: https://www.emta.ee/eng/interests-tax-arrears-suspended-emergency-situation

— Republic of Estonia – Government: https://www.valitsus.ee/en/news/emergency-situation-government-supports-estonian-workers-and-economy-least-eur-2-billion

Highlighted in yellow = changes or additions as at 30 March 2020

Finland (1/4)

Contacts:
Tax: Sanna Laaksonen – sanna.laaksonen@kpmg.fi
Restructuring: Antti Lojamo – antti.lojamo@kpmg.fi

General information

The Finnish government indicates it stands ready to take measures if the impact of the outbreak on the economy worsens. The website of the Ministry of Economic Affairs and Employment includes information on how the impact is monitored and measures in place in the context of the State of Emergency.

The state owned financing company Finnvera provides support to SMEs through guarantees, support for working capital and an instalment free period for loans granted.

Key actions by banks directed to legal entities

Banks in Finland are key sources of financing for companies which offer loans, Capex and working capital facilities etc. utilising often also Finnvera guarantees. Nordic banks have strong solvency to face COVID-19 crisis. Measures taken:

— Instalment-free periods for SME companies of up to 12 months depending on bank, case by case approach
— Increases in credit limits
— Instruments to strengthen working capital and liquidity
— EIB supports banks' SME financing efforts
— FIN-FSA has decided to decrease solvency requirements of Finnish credit institutions
— Banks may prioritise current clients in order to avoid credit losses and therefore potential new clients may face tighter financing policy
— More details of the new guarantee programme guidelines will be published shortly

Finland (2/4)

Key actions by Finnvera

Finnvera provides financing for SME companies' working capital needs and investments. Primarily financing constitutes of guarantees for bank financing. Normally 50% guarantee, but can be up to 80%. Finnvera also grants loans and provides guarantees for midcaps case by case. Measures taken:

— Is prepared to double SME companies financing to over 4 €bn

— Can offer up to 6 months instalment-free period

— No increases in guarantee commissions for bank loan guarantees, loans and credit accounts (up to 300 €k liabilities)

— Up to 150 €k decisions directly from banks (Finnvera guarantees) and in larger ones Finnvera does also its own credit assessment (Finnvera guarantees or direct loans)

— Faster process: <150 €k decisions within few days, while larger takes from one to few weeks

— Internal credit meeting now twice a week

— More details of the new guarantee programme guidelines will be published shortly

Key actions by Business Finland

Business Finland offers subsidies and loans for SME and mid cap companies. Measures taken:

— Launched two new financing services for SME and mid cap companies for:

— Research and planning of new business operations, replacing delivery chains and reorganisation of production and ways of working

— Development and execution of these planned development actions

— De minimis' type of financing, up to 200 €k within 3 years period for any type of costs

— Financing is targeted for industries, which suffer the most of COVID-19 consequences

Finland (3/4)

Key actions by ELY

ELY Centres offer development subsidies, development services and transport support for SME companies. Measures taken:

— ELY Centres' will receive supplementary budget and more details of this will be published soon

— Granting process and payments of subsidies continue as normally

— Admits changes flexibly for companies' development projects execution periods and content

— Companies can apply for faster payments and changes for the amount of instalments regarding development subsidies

Key actions by Finnish employment pension companies, directed to legal entities

Finnish employment pension companies are responsible for the employee pension scheme in Finland. They are major institutional investors with around 200 €bn of assets under management. Measures taken:

— Companies can apply for up to 3 months longer payment term for employee pension payments (TyELand YEL) with current 2% interest. This still requires final approval from the government.

— The State Pension Fund (VER) is ordered to invest 0.5-1 €bn into commercial papers to support short-term liquidity.

— In addition, pension companies are discussing with the government whether EMU-buffer should be used (buffer fund, which could be used to decrease employee pension payments).

Key actions by TESI

TESI provides private equity type of financing for Finnish SME companies, who have strong growth outlook and market potential. Measures taken:

— Prepared to offer new follow-on equity investments into portfolio companies.

— Readiness to launch new stabilisation financing programme together with private investors to strengthen companies financial positions.

Key actions by unions(Agreed but not fully funded)

A 16-point action list was agreed by two of the largest unions, the Industrial Employer and the Industrial Employees. However, this includes certain items that need to be financed, and that part has not yet been approved.

Highlighted in yellow = changes or additions as at 30 March 2020

Finland (4/4)

Contacts:
Tax: Sanna Laaksonen – sanna.laaksonen@kpmg.fi
Restructuring: Antti Lojamo – antti.lojamo@kpmg.fi

Main sources of information

— Finnish Tax administration: https://www.vero.fi/tietoa-verohallinnosta/uutishuone/korona/verohallinto-tukee-yrityksi%c3%a4-koronatilanteessa/

— Finish Government: https://valtioneuvosto.fi/en/frontpage

Highlighted in yellow = changes or additions as at 30 March 2020

France (1/16)

1. Time limits for the payment of social and/or fiscal instalments and direct tax rebates

Postponement and/or discounts of tax due dates

— **Deferral without penalty of future direct taxes settlement:**

- Concerns all direct business taxes (advance income tax payment, payroll tax), with the exception of VAT (still to be defined at this time) and assimilated taxes, the repayment of the withholding tax made by the collectors and the tax on insurance agreements, which cannot be carried forward
- Granted for a period of 3 months
- On simple request, without proof, via the simplified form to be sent to the relevant (Corporate Tax Department)
- For settled maturities of March, possibility to oppose the SEPA Direct Debit at their online bank. Otherwise, you can request reimbursement from the (Corporate Tax Department) once the direct debit has been made.

— **Remission of direct taxes, interest on arrears or penalties in the event of serious difficulties:**

- On request via the simplified form
- On proof of inability to pay

— **For monthly payment contracts:**

- Suspension is possible by contacting the Service Collection Centre. The remaining amount will be deducted from the balance, without penalty

— **Measures in favour of the self-employed:**

- Possibility to modulate at any time the rate and the instalments of withholding tax
- Defer the payment of the withholding tax on their professional income from one month to the next, this up to three times if their instalments are monthly, or from one quarter to the next, this if their instalments are quarterly.

Acceleration of tax credit reimbursement procedures

Possibility of reporting to the EIS, in the simplified form, invoices awaiting payment from the State, local authorities and public bodies in order to speed up payment.

The DGFIP has instructed its departments to speed up the reimbursement of tax credits due to companies.

- Accelerate the refund of VAT credits,
- Ditto for the tax credits refundable in 2020 the CICE,
- CIR/CII, (in particular for start-ups)
- And other tax credits chargeable to the income tax,
- Without waiting for the deposit of the tax bundle.
- To do so, you will have to declare: the tax credit refund application (form n°2573)
- the declaration to justify the tax credit (n°2069-RCI or specific declaration, unless it has already been filed previously)
- In the absence of a profit and loss statement, the tax balance statement (form n°2572) allowing the tax due to be paid and the refundable claim for 2020 to be established.
- Businesses that are unable to meet their VAT declaration and payment deadlines are invited to contact their EIS to find a suitable solution.

France (2/16)

1. Time limits for the payment of social and/or fiscal instalments and direct tax rebates (continued)

Postponement of social deadlines

- Possible staggering for due maturities and not on future recoveries.
- Exceptional discounts of surcharges and penalties for late payment over the targeted periods possible
- The later the application is made, the more eligible social security contributions will be included in the scheme
- Employers (companies with more than 50 employees) whose URSSAF due date falls on the 5th of the month may defer all or part of the payment of their employee and employer contributions for the due date of 5 April 2020. The date of payment of these contributions may be postponed for up to 3 months: information will be provided later on. No penalty will be applied.
- Employers can modulate their payment according to their needs: amount to 0, or amount corresponding to a part of the contributions.
- It is nevertheless imperative to declare and therefore transmit the nominative social declaration (NSD) before Monday 6 April 12:00 noon.
- First case - the employer pays his contributions outside the NSD, by bank transfer: he can adapt the amount of his transfer, or not make a transfer at all.
- Second case - the employer pays his contributions via the NSD: he must transmit the March 2020 NSD by Monday 6 April 2020 at 12:00 noon, and can modulate his SEPA payment within this NSD.

A postponement or a delay agreement is also possible for supplementary pension contributions. Employers are invited to contact their supplementary pension institution.

Highlighted in yellow = changes or additions as at 30 March 2020

France (3/16)

2. Time limits for the payment of social and/or fiscal instalments and direct tax rebates (continued)

CCFC (committee of chief financial officers) and payment terms

— The French government is encouraging companies experiencing financial difficulties with payment delays in order to pay their tax and social security debts (employers' share) to refer the matter to The Financial Sector Advisory Committee (CCFC).

— The debts referred to are in particular the taxes, social security contributions to the basic compulsory schemes payable - excluding employee shares and withholding tax.

— There is no minimum or maximum amount.

— Normally, the CCFC of the department of the company's registered office or principal place of business is competent.

— The commission examines, in conjunction with each accountant or body responsible for the collection of public debts, the establishment of a payment plan spread over several months for the settlement of the debtor's debts. It then lays down the conditions for this plan.

— In order to benefit from the settlement of the above-mentioned debts, the debtor must (theoretically) be up to date with the filing of his tax and social security declarations and the payment of employee contributions and withholding tax.

— The request to the French CCFC (of the department concerned) can be made in two ways (KPMG's business recommendations):By the debtor: for debt requests up to €0.5mBy an ad hoc representative (appointed beforehand by the debtor): for debt requests over €0.5m

— In fact, each public accountant or body responsible for the collection of public debts must ensure collection from its own funds and therefore could be more restrictive in terms of the basis of application, penalties, requests for security... The appointment of an ad hoc agent then allows the accounting officer or body responsible for recovery to legitimise its recovery plan by the existence of a judicial mandate.

France (4/16)

2. Mobilisation of BPI France to guarantee bank lines of credit

Mobilisation of BPI France

Following the acceleration of events, a number of Bpifrance measures for banks are operational. The companies concerned can contact their banking contact so that they can request the mobilisation of this measure or contact BPI directly on their website.

Bpi France automatically defers all CBI loan maturities (capital + interest) and rents for a period of 6 months and with no application fees.

Caution: *This aid is intended to deal with "cyclical" difficulties, directly linked to the consequences of the VIDOC-19 crisis. This means that they are not automatic, particularly for companies in difficulty. The notion of "company in difficulty" has yet to be defined (loss-making results for several years, collective procedures, etc.) and the cases concerned will be dealt with on a case-by-case basis by BPI.*

1 /Guaranties:

— **Guarantee Fund "Reinforcement of the Treasury".**
- Intended for VSEs, SMEs and Mid-cap companies(ST consolidation in MT and new money)
- Guarantee up to 90% on liquidity enhancement loans from 2 to 7 years
- Used to guarantee long and medium-term loans, movable and immovable leases, financial leases, etc.
- Term: 2 to 7 years (can be extended to 15 years (max.) for loans with a security interest in a real estate asset or in the case of a sale and leaseback of real estate)
- Up to 5m€ for SMEs and up to 30m€ for ETIs
- Elimination period reduced to 6 months

— **Guarantee Fund "Confirmed Line of Credit".**
- Intended for SMEs and Mid-cap companies, renewable only once.
- Up to 90% guarantee on confirmed credit lines for a period of 12 to 18 months
- Used to guarantee the renewal of confirmed ST lines of credit (overdrafts, overdraft facilities, discounts, Daily…)
- For financing the business operating cycle
- Guarantee equal to the duration of the CT line (up to 5m€ for SMEs and up to 30m€ for Mid-cap companies)
- 4-month waiting period

2 / Mid term financing:

— **Asset Loan:**
- Intended for VSEs, SMEs and Mid-cap companies, with at least 12 months of balance sheet.
- Used for one-off cash requirements and an exceptional increase in working capital requirement, linked to the economic situation.
- 50k€ to 5m€ for SMEs, and up to 30m€ for Mid-cap companies
- Term: between 3 and 5 years, of which 6 to 12 months of deferred depreciation
- Unsecured loan on the assets of the company or its manager

— **Ready to bounce:**
- Intended for VSEs, SMEs and Mid-cap companies
- Partnership with the Regions and made by co-financing
- Allows financing a cash requirement related to a cyclical difficulty, a temporary fragile situation, or a working capital requirement that does not allow normal operating conditions.
- Financing ceiling: 10k€ to 300k€.
- Term: 7 years, including 2 years of deferred capital amortisation

3 / Evolution BPI Factoring guarantee system:

— **For companies benefiting from the factor/dailly BPI (VSE/small SME):**
- Mobilisation of invoices and addition of a cash credit of 30% of the mobilised volume.
- Allow the release of the security deposit

France (5/16)

3. Support from the State and the Bank of France (credit mediation)

Credit mediation (renegotiation of credit lines)

— Support from the State and the Bank of France (credit mediation) to negotiate with his bank a rescheduling of bank loans

— Credit Mediation is open to any company of any size and in any sector that is experiencing financing difficulties with its banking partners or that is suffering the consequences of a reduction in guarantees from a credit insurer

— Generally speaking, the Credit Mediation Department can accept companies in amicable procedure (adhoc mandate, conciliation), in safeguard or receivership, and exceptionally in compulsory liquidation following a request from the receiver on a possible takeover project approved by the Commercial Court requiring financing

— Enter the file online (https://mediateur-credit.banque-france.fr/)

Press Release of the French Banking Federation (15 March):

In concrete terms, several measures, combined with exceptional public support measures for businesses, have been decided by the banking institutions, dealt with on a case-by-case basis:

— Implementation of accelerated credit appraisal procedures for tense cash flow situations, within 5 days, with special attention to emergency situations.

— Deferral of credit repayments for businesses for up to six months

— Removal of penalties and additional costs of extensions and credits for businesses

— Suspension of equipment leasing maturities

PFB press release - State-guaranteed loans (24 March):

— The State-guaranteed loan is a one-year treasury loan and will have a grace period over this period.

— At the end of the first year, the company may decide to amortise the loan over a further 1, 2, 3, 4 or 5 years.

— This cash loan may cover up to three months of sales up to a maximum of 25% of sales excluding VAT in 2019 (i.e. the equivalent of one quarter of activity), or of the last financial year ended. As an exception, for newly created or innovative companies, this ceiling is set at 2 years of payroll.

— The loan benefits from a State guarantee of:

- 90%, for companies with < 5,000 employees and < €1.5bn turnover.
- 80%, for companies > 5,000 employees and < €5.0bn turnover
- 70%, for companies > 5,000 employees and > €5.0bn turnover

— These loans may not be covered by any other guarantee or security, except when they are granted to companies in France employing more than 5,000 employees or generating sales of more than €1.5 billion of turnover

— This loan is intended for all economic activities having an economic activity, except for some exclusions in the financial sector and non-trading property company

— In conditions of exceptional speed, the banks were able to prepare the banking networks and advisers to be able to market the state-guaranteed loan as of 25 March.

— The cost of the loan will be made up of each bank's own financing cost (interest rate), without margin, plus the cost of the State guarantee.

— The step to be taken by an interested company is to get closer to its bank. The bank will examine the company's application. After having obtained a preliminary agreement from the bank, the company will have to take steps on the Bpifrance site in order to finalise the signature of the loan. After confirmation from the BPI, the bank will grant the loan.

France (6/16)

4. Simplified and reinforced short-time working scheme (1/2)

Partial unemployment

— The partial activity scheme may be requested by companies in exceptional circumstances.

— As the employment contract is suspended, employees receive a compensatory indemnity paid by their employer. This indemnity must correspond to at least 70% of the gross previous remuneration. This indemnity is increased to 100% of previous net remuneration in the event of training.

— Decree n°2020-325 of 25/3/2020 stipulates that the employer benefits from a partial activity allowance, the hourly rate of which is equal for each employee concerned to 70% of the gross hourly remuneration limited to 4.5 times the hourly rate of the minimum interprofessional growth wage.

— This hourly rate may not be less than 8.03 euros.

— This minimum is not applicable in the cases mentioned in the third paragraph of Article R. 5122-18 of the French Labour Code (100% compensation in case of training).

— The provisions of the decree apply to claims for compensation addressed or renewed to the Services and Payment Agency as of the date of entry into force of the decree (i.e. March 26, 2020), in respect of the placement of employees in partial employment since March 1, 2020.

— It should be noted that this payment is limited to 1,000 hours per year and per employee, regardless of the professional branch.

— The request for partial activity and the opening of the file is made directly online on the dedicated website (https://activitepartielle.emploi.gouv.fr/aparts/).

— The employer must consult in advance with the employee representatives (ESCs or employee delegates). Decree n°2020-325 of 25 March 2020 provides that this opinion may be collected after the request for partial activity and transmitted within a maximum of two months from the date of the request.

— In the absence of an IORP, companies must inform their employees directly of the plan to start partial operations.

— The server of the Services and Payment Agency (SPA) accessible to employers to proceed with their request for partial activity is facing an exceptional influx which leads to making the site difficult to access.

— In order not to penalise companies, Decree n°2020-325 of 25 March 2020 provides that the employer may send its request within 30 days of placing employees in partial activity when the request is justified by exceptional circumstances.

— Faced with the influx of requests, the labour administration has recalled since 19 March that requests to benefit from the partial activity scheme must comply with the provisions of articles L 5122-1 of the C. Trav et seq. and that the requests will be subject to a control.

— In particular, it was recalled that:

— No request for partial activity will be authorised for companies wishing to close down preventively.

— If the application is renewed, the company will have to enter into commitments concerning employees

Eligible cases:

— Administrative closure of an establishment
— Prohibition of public demonstrations following an administrative decision
— (Massive) absence of employees essential to the company's activity
— Temporary interruption of non-essential activities
— Suspension of public transport by administrative decision
— Decrease in activity related to the epidemic

The draft decree would also open the benefit of the partial activity to employees with a fixed-rate executive package, including when there is no total closure of the establishment. The terms and conditions and the calculation of the coverage are not yet known and will be specified by ordinance.

France (7/16)

4. Simplified and reinforced short-time working scheme (2/2)

Order published in the OJ of 27 March 2020

- The provisions of the Ordinance are applicable until a date to be determined by decree, and until 31 December 2020 at the latest.
- **Provisions relating to the equivalence regime:**
  - This concerns employees subject to the scheme (professions and jobs involving periods of inactivity in the hospital, transport, tourism sectors, etc.).
  - For the calculation of the allowance and the partial allowance, account shall be taken of the paid equivalent hours
  - The duration considered as equivalent is used instead of the legal working time. Provisions relating to public undertakings: Opening of the benefit of partial activity to public undertakings which insure themselves against the risk of unemployment.
- **Provisions relating to the hourly rate of the partial activity for part-time employees:**
  - Principle: the hourly rate of the partial activity allowance paid to part-time employees may not be less than the hourly rate of the SMIC.
  - Exception: if the hourly rate of remuneration of the part-time employee is less than the hourly rate of the SMIC, then the hourly rate of the partial activity allowance paid is equal to his hourly rate of remuneration. **Provisions relating to apprenticeship and professionalisation contracts:**
  - The employees concerned receive a partial activity allowance equal to the % of the SMIC applicable to them.
- **Provisions applicable to employees undergoing training:**
  - The conditions of compensation for employees undergoing training during the period of partial activity are aligned with the conditions of compensation under ordinary law for employees in partial activity.
- **Provisions applicable to protected employees:** The partial activity is compulsory for the protected employee, without the employer's agreement, as long as it affects all employees of the company, establishment or department to which the person concerned is assigned or attached.
- **Provisions applicable to home-workers and child-minders:** Employees employed at home by private employers and child-minders benefit, on a temporary and exceptional basis, from a partial activity scheme. Provisions applicable to employees with a fixed day rate and to employees not subject to statutory or conventional working hours: The number of hours taken into account for the partial activity allowance and the partial activity allowance is determined by converting a number of days or half-days into hours.
- **Provisions applicable to employees of foreign companies with no establishment** in France: Applicable to foreign companies with no establishment in France that employ at least one employee carrying out his activity on the national territory and who is covered by the French social security and unemployment insurance system.

Highlighted in yellow = changes or additions as at 30 March 2020

France (8/16)

4. Simplified and reinforced short-time working scheme / FNE Training (continued)

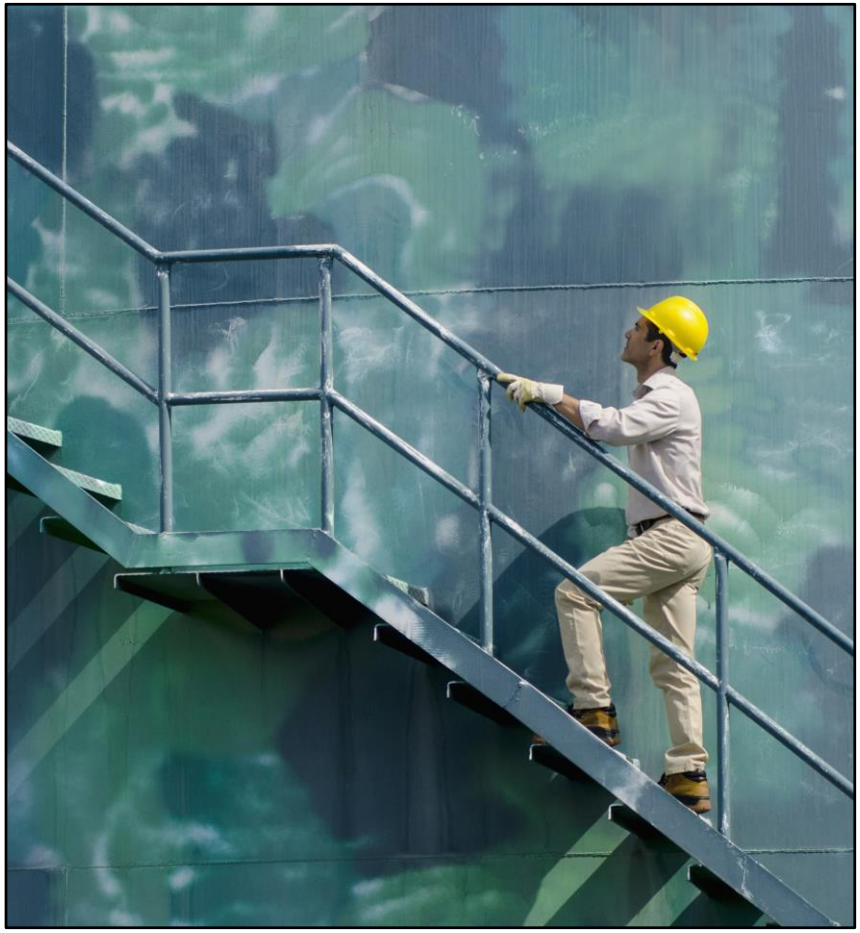
Faced with the consequences of the Coronavirus on companies, Mrs Muriel PENICAUD recalled that training is the solution to be favoured over unemployment or redundancy.

The Ministry of Labour has recalled that companies that see their activity reduced or suspended have the possibility of having recourse to the partial activity mechanism (Article R.5122-1 of the Labour Code). However, in the event of prolonged under-activity or total cessation of activity, companies may choose to provide their employees with FNE training in order to enable them to acquire useful skills when resuming their activity.

In case of partial activity, the employment contract is suspended and the employees receive an indemnity paid by the company corresponding to 70% of the gross salary. If the company provides training, the compensation is 100% of the net remuneration.

FNE agreements are concluded between the DIRECCTE and the company or an OPCO.

- Coverage by the State: If it is the sole public funder, the State may grant aid of up to 50% of eligible costs, or even 70% in the event of an increase under an FNE agreement.
- The companies concerned:
  - FNE training is aimed primarily at companies or groups of employers with fewer than 250 employees;
  - The employees concerned by this scheme are those at risk of losing their job or those with low qualifications in relation to the labour market in their employment area (note that managers are not excluded from this scheme).

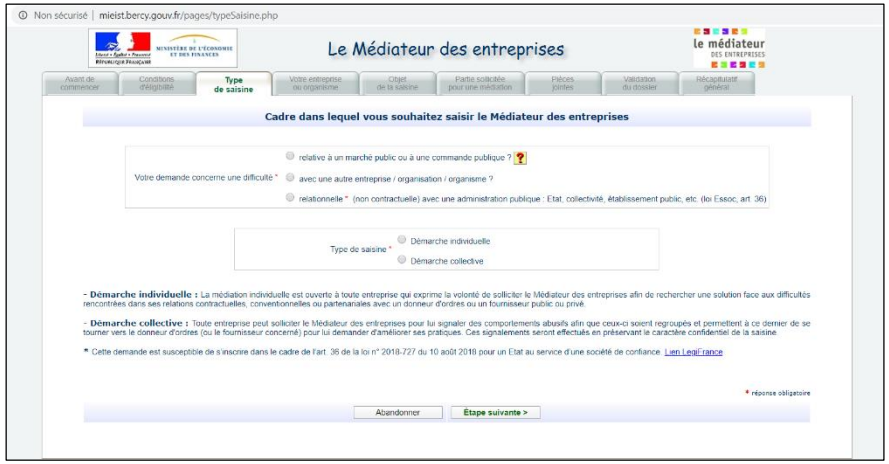


France (9/16)

5. Support in the handling of a conflict with customers or suppliers by the Business Ombudsman

Business mediator (customers vs. suppliers)

- As part of the Government's efforts to combat the outbreak of the Covid-19 coronavirus, the Business Ombudsman is one of the mechanisms put forward for providing assistance to economic actors.
- The Company Ombudsman is called upon to help companies experiencing economic difficulties due to disputes caused by the consequences of the health crisis.
- When to refer a case to the Ombudsman:
- Any dispute relating to the performance of a contract under private law, including tacit contracts, or of a public order, may be referred to the courts.
- Unbalanced contractual clauses, unfulfilled payment terms, abrupt breach of contract, misappropriation of intellectual property
- Any company or public entity, whatever its size or sector, may refer a complaint to the Ombudsman.
- A form available on the internet including:
  - Referral framework (public order or not / individual or collective approach);
  - Information about the company / organisation;
  - Subject-matter of the dispute;
  - Information on the party causing the difficulties
- Website: https://www.mieist.bercy.gouv.fr



- Businesses can also get in touch with Judicial Administrators who are trained to help businesses in difficulty
- The court administrator is charged by a court decision with administering the property of others or exercising assistance or supervisory functions in the management of such property. He/She establishes a diagnosis of the company and determines, with the manager and his/her advisers, the legal procedure adapted to the company's difficulties. He/She intervenes in the context of amicable or collective proceedings.

Highlighted in yellow = changes or additions as at 30 March 2020

France (10/16)

6. Other measures

Recognition by the State of the Coronavirus as a case of force majeure for its public contracts.

— Consequently, for all State public procurement contracts, penalties for delays will not be applied.

— It is essential to check whether the contract in question contains a force majeure clause, what criteria must be used for an event to constitute force majeure, under what conditions the force majeure can be implemented (form and deadline for formal notice) and what are the consequences thereof

Sick leave / Teleworking

— For parents with no childcare solution for their children under the age of 16, the work stoppage will be automatic and without waiting period. All or part of the salary will therefore be borne by the CPAM up to 90%.

— Work stoppage for the duration of the closure of the childcare facility concerned

— Edouard Philippe announced Saturday, March 21st the general suspension of the waiting day in case of sick leave for the duration of the state of health emergency.

Freeze and deferral of certain current expenses

— Water, electricity, rents for microenterprises (<10 people and annual turnover or balance sheet total < 2m€) and for enterprises eligible for the solidarity fund. The payment of receivables due at these deferred deadlines is spread equally over the payment deadlines of subsequent invoices over six months, starting the month following the end of the state of health emergency.

— With regard to shopping centre retail, the National Council of Shopping Centres (CNCC) has already invited its lessor members to monthly pay the rents and charges invoiced for the second quarter and to temporarily suspend the collection of rents and charges for the month of April.

— In addition, the members of the FFA (Insurance) have also undertaken to defer the payment of rents for SMEs and VSEs belonging to one of the sectors whose activity is interrupted pursuant to the decree of 15 March 2020

— For sectors whose activity is interrupted: Auditoriums, conference, meeting, show or multipurpose rooms; Sales shops and shopping centres; Restaurants and pubs; Dance halls and games rooms; Libraries, documentation centres; Exhibition halls; Covered sports establishments; Museums.

- Rents and charges will be called monthly instead of quarterly;
- The collection of rents and charges is suspended as of 1 April 2020, and for the subsequent periods of cessation of activity imposed by the decree. When business resumes, these rents and charges will be subject to deferred payment or spread without penalty or interest on arrears and adapted to the situation of the companies in question.

Highlighted in yellow = changes or additions as at 30 March 2020

France (11/16)

6. Other measures (Continued)

Solidarity Fund €2bn for small businesses (3 months)

— (turnover < €1m), having lost 70% of their turnover between March 2019 and March 2020 and for self-employed professionals whose taxable profit for the last financial year is less than €40k: €1500 in rapid assistance.

— Additional aid paid by the region: These companies will be eligible for an additional flat-rate aid of €2000 if they employ at least one employee, are unable to pay their debts within 30 days and have been refused a cash loan by their bank.

Payment Incentives / Profit-sharing

— Notwithstanding the provisions of the French Labor Code governing the payment of sums due in respect of profit-sharing or incentive schemes and the contractual stipulations applicable in the company, the deadline for payment to beneficiaries or allocation to an employee savings plan or a blocked current account of sums allocated in 2020 under a profit-sharing or incentive scheme is postponed to December 31, 2020.

— Exceptionally, the Order extends this deadline to December 31, 2020,

—

Payment Exceptional purchasing power bonus

— The emergency law allows the deadline and conditions of payment of the exceptional purchasing power bonus (initially to be paid between 28 December 2019 and 30 June 2020) to be modified.

France (12/16)

6. Other measures (continued)

Rules relating to the preparation, approval, audit, review, approval and publication of the financial statements

— Extension of the deadlines for approving accounts (3 months) when the accounts have not been approved by 12 March 2020;

— Extension by two months of the time limit in Article L225-68 to submit to the supervisory board the documents provided for in Article L225-100 if the appointed statutory auditor has not issued its report by 12 March 2020;

— Extension by three months of the deadline for drawing up the accounts drawn up by the liquidator in the light of the inventory he must have drawn up;

— Extension of the period of two months for the companies concerned to draw up a statement of realisable and available assets and current liabilities, a provisional profit and loss account, a cash flow statement and a provisional financing plan;

— extension of the three-month deadline for private-law bodies receiving a public subsidy to produce the financial report provided for in the sixth paragraph of Article 10 of Law No 2000-321 of 12 April 2000 on the rights of citizens in their relations with administrations (DCRA).

Right of Withdrawal

— The Administration does not seem to consider that employees can exercise a possible right of withdrawal in the current circumstances related to the coronavirus as long as the employer complies with the national recommendations.

Holding of general meetings, boards of directors and supervisory boards

In order to allow meetings and management, administrative and supervisory bodies to be held at a distance, particularly during this period when the accounts are being approved, the government has adopted the following measures by ordinance, applicable to almost all groupings:

— Possibility to convene the associates/shareholders in a dematerialised manner for listed companies and, for all companies, to send dematerialised convocations to inform associates/shareholders already convened for a physical meeting that the meeting will finally take place in a dematerialised manner ;

— Possibility of using telephone or audio-visual conference calls for meetings, boards and management bodies and, for certain companies, written consultation ;

— The order issued applies to meetings and meetings of boards of directors and supervisory boards held from March 12, 2020 until July 31, 2020, extendable by decree to November 30, 2020 at the latest.

France (13/16)

6. Other measures (continued)

Adjustments to the provisions on time limits in jurisdictional and contractual matters

— In jurisdictional matters (civil, criminal and administrative courts), extension of certain time limits and reorganisation of certain courts (transfer of powers);

— In contractual matters, extension of certain time limits (attention, not for financial obligations and related guarantees mentioned in Articles L. 211-36 et seq. of the Monetary and Financial Code);

— Penalty payments, penalty clauses, termination clauses and clauses providing for forfeiture, when their purpose is to punish failure to perform an obligation within a specified period between 12 March 2020 and the expiry of a period of one month from the date of cessation of the state of health emergency, are deemed not to have taken effect before the end of the aforementioned period;

— Where an agreement can be terminated only during a specified period or is renewed if no denunciation is made within a specified period, that period or period shall, if it expires during the period from 12 March 2020 to one month after the end of the state of public health emergency, be extended by two months after the end of that period.

Provisions relating to contracts covered by the code of public procurement and similar contracts

— Authorisation to extend the deadline for receipt of applications;

— Possibility of extension of expired contracts;

— Extension of the time-limit for performance by the contractor in cases of manifestly excessive difficulty;

— Possibility of compensation to the contractor in the event of termination of a contract or contract because of the health measures taken;

— Possibility for purchasers to pay, under certain conditions, an advance of more than 60% of the contract amount.

Postponement of the date for filing tax returns

— Ordinance n°2020-306 of 25 March 2020 on the extension of time limits during the health emergency period and the adaptation of procedures during the same period provides for a principle of postponement of certain reporting formalities.

— This principle shall not apply to declarations used for the assessment, assessment basis, liquidation and collection of taxes, duties and charges: Could be provided for an administrative tolerance for the deadline for filing tax returns (postponement envisaged to 31 May 2020). However, it will be necessary to wait for confirmation from the tax authorities.

— Possible adaptation of reporting procedures: In order to enable many companies to continue to be able to certify that they are up to date with their social and tax obligations. This proof is currently required by various procedures (in particular when a matter is referred to the Commission des chefs de services financiers, or CCSF).

France (14/16)

6. Other measures – Bill n°2023-323

Emergency measures in relation to paid holidays, hours of work and rest days

— The provisions set out below may not extend beyond 31 December 2020.

— **Holiday pay provisions:**:

  — An enterprise agreement or a branch agreement may determine the conditions under which the employer is authorised to impose the taking of paid leave or to modify the dates of leave already taken, within the limit of 6 working days, and respecting a notice period of one clear day. This also applies to days of paid leave acquired before the start of the period during which it is to be taken.

  — The agreement may authorise the employer to split the leave without the employee's consent.

Provisions relating to RWC: By way of derogation from the agreement or the collective agreement establishing a working time reduction scheme, the employer has the possibility of imposing or modifying the RWC acquired by the employee, including those of his choice, subject to one clear day's notice.

Provisions relating to rest days for fixed days:: The employer may modify or impose, subject to one clear day's notice, days or half-days of rest for employees on fixed days, by derogation from the provisions of the collective agreement applicable in the undertaking, establishment or branch.

Provisions relating to the TSA:: Possibility of imposing the taking of assigned days on the time savings account.

Provisions applicable to the reduced working hours (French JRTTs), to the days of leave of the forfait days and to those of the TSA This article limits the total number of rest days that the employer may require to be taken to 10 days (days referred to in articles 2 to 4).

— Only companies in sectors essential to the continuity of economic life and the security of the Nation may be subject to the following provisions, which will cease to have effect on 31 December 2020, bearing in mind that the essential sectors will be specified by decree:

— **With regard to working hours:**

— Possibility to derogate from the rules of public order in terms of maximum daily working hours, maximum daily hours worked by a night worker, length of daily rest, maximum absolute and average weekly hours, weekly hours of night work:

  — The maximum daily working time is increased to 12 hours (10 hours in normal time);

  — The maximum daily working time for night work is increased to 12 hours with compensatory rest (8 hours in normal time);

  — The daily rest period is reduced to 9 hours with the possibility of compensatory rest for overtime worked (11 hours in normal time);

  — Working hours are increased to 60 hours/week (48 hours in normal time);

  — Increase in the weekly working time calculated over a period of 12 consecutive weeks to 48 hours (44 hours in normal time);

  — Increase in the weekly night working hours calculated over a period of 12 consecutive weeks to 44 hours (40 hours in normal time).

  — The employer must inform without delay the SEC and the DIRECCTE.

France (15/16)

6. Other measures – Bill n°2023-323

In terms of Sunday rest):

— Possibility to derogate from the Sunday rest rule by allocating the weekly rest in shifts;

— Applicable to undertakings which provide services necessary for the performance of the principal activity of those in sectors essential to the continuity of economic life and the security of the nation;

Moreover, it is not possible for an enterprise to postpone or cancel hiring made before the crisis but with the taking up of posts during the coronavirus crisis. The employer can either dismiss the employee from the start of the contract or put him/her in partial activity.

Highlighted in yellow = changes or additions as at 30 March 2020

France (16/16)

8. WGI

WGI Information (Wage Guarantee Insurance)

- Reduced payment periods: payments of salary claims will thus be made within a period not exceeding 72 hours, starting from receipt of the statements of claims drawn up by the judicial representatives ;
- Relaxation of the formalism of the statement of claims established by the agent: the visa of the bankruptcy judge may be sent a posteriori and the signature of the employees' representative is not required;
- Suspension for a period of 3 months (March to June) of the payment schedules granted by the AGS for the settlement of claims not subject to the terms of the safeguard or recovery plan;
- Exceptionally, coverage of claims from employees who could not be dismissed during the legal guarantee period due to the constraints related to containment;
- Extension of the limits of the AGS guarantee (ceiling of 45 days) for salaries due in the event of compulsory liquidation;
- In the event of recourse to short-time working, guarantee of salaries corresponding to the employer's share;
- Delays in implementing procedures for dismissal for economic reasons deferred, due to the impossibility for the judicial agents to respect legal obligations:
- Financial support for companies in collective proceedings when they are able to obtain a recovery plan or a safeguard plan:
- Exceptionally longer repayment periods of up to 24 or 30 months;
- and for those who will not be able to meet current repayment schedules, deferral without penalty until June 30, 2020.
- In the same way as the social security contributions, the employer's contributions required to finance the AGS scheme are being deferred

Activation Public Reinsurance

- A €10bn guarantee scheme will enable companies to continue to benefit from the credit insurance cover they need to pursue their business with their French SME and ETI customers.
- The scheme set up by the Government will make it possible to respond both to reductions in guaranteed outstanding and to guarantee cancellations resulting from the deterioration in the economic situation of certain companies.
- The implementation of the reinsurance scheme will be entrusted to the Caisse centrale de réassurance.
- In addition, credit insurers have undertaken not to reduce or terminate guarantee lines abruptly and to provide prior information to policyholders and buyers in the event of changes in coverage.

Activation Export credit reinsurance

- In order to facilitate the granting of short-term export credit insurance, the "Cap Francexport" public reinsurance scheme, launched in October 2018, will be amplified, with a doubling of the ceiling on the outstanding amount reinsured by the State (to €2 billion).
- The scheme will be extended to a larger number of destination countries.
- The "Cap Francexport" scheme will provide two levels of cover:
- One will be complementary to that of the private insurer.
- The other, full, will allow the State to reinsure almost all the coverage of the private insurer .

Highlighted in yellow = changes or additions as at 30 March 2020

Germany (1/6)

Contacts:
Tax: Claus Jochimsen – cjochimsen@kpmg.com
Restructuring: Florian Rieser – frieser@kpmg.com

1. Measures to Facilitate Short-Time Working, Refund Social Security Contributions and Reintroduction of Internal Border Control

Act to Improve the Regulation on Short-Time Working

Extension of the Scope

— The law passed on the temporary crisis-related improvement of the regulations for short-time working compensation on March 13, 2020 and the following statutory-decrees of the Federal Government, which are limited in time until the end of 2021, facilitate access to short-time working compensation, relieve companies from social security contributions and also enable temporary workers to access short-time working compensation.

— Before the change in law, at least one third of the employees had to be affected by the loss of working hours in order to qualify for the relief of short-time work compensation. Now it is sufficient that only ten percent of a company's employees are affected by the loss of working hours.

— Short-time working compensation can be paid up to 12 month.

— Negative working time balances do not need to be taken to avoid short-time working.

— Short-time working compensation can also be paid to temporary workers.

Refund of Social Security Contributions

— Employers are to receive full reimbursement of social security contributions. However, this only applies to companies that fall within the scope of the Act of short-time working.

Retrospective Effectiveness

— These facilitations will take effect ex post facto from 01 March 2020 and will be paid retroactively.

Temporary Border Controls

— Controls at the internal borders with Austria, Switzerland, France, Luxembourg and Denmark have again been carried out temporarily by the Federal Police since 16 March 2020. This is done on the basis of the Schengen Border Code.

— However, the cross-border movement of goods and the entry of commuters remains possible. German citizens and people with residence permits in Germany may also continue to enter the country.

Germany (2/6)

2. Tax Measures, Law on the Prevention and Control of Infectious Disease

Tax Policy Measures of the German State to improve the Liquidity of Companies

Modifications of the Current Legal Situation

— The state will give the tax authorities more leeway in deferring tax debts.

— If companies are directly affected by the coronavirus, tax authorities are encouraged to waive enforcement measures and late payment penalties. This applies until the end of the year 2020.

Conditions of Advance Payments

— The conditions for advance payments by taxpayers will be adjusted according to the situation.

Further Information

— These tax measures are particularly important for freelancers and small businesses, who should contact their tax office for this purpose.

— All in all, companies are granted the possibility of tax deferrals in the billions. The Federal Ministry of Finance has initiated the necessary coordination with the federal states on this issue.

Law on the Prevention and Control of Infectious Disease

— In the event of illness or a justified suspicion of illness, whereby the employee is quarantined, the employer is obliged under the Continued Remuneration Act to continue to pay the employee his regular salary for up to six weeks. At the beginning of the seventh week, sickness benefit at the regular rate of 70% of the original wage is paid by the health insurance company.

— Even in the case of an illness or the justified suspicion of an illness which falls within the scope of application of the Law on Prevention and Control of Infectious Disease, this general regulation remains in force. However, the employer will be reimbursed the wages paid in the first six weeks by the competent authority on application. In the seventh week, the sickness insurance fund pays the wage, which may in turn request reimbursement from the competent authority.

— In contrast to the continued remuneration, self-employed workers and freelancers are also entitled to compensation. According to the Law on Prevention and Control of Infectious Disease they can apply to the competent authority for financial reimbursement in the amount of their loss of earnings.

Germany (3/6)

3. Draft bill of the German Goverment as of 24th March 2020 (19/18110)

Regulations to protect domestic and commercial tenants

Tenant

— A lease contract cannot be terminated by the landlord if the tenant is in default with its monthly rent payments in the period from 1 April 2020 until 30 June 2020 due to the effects of the COVID-19-Pandemic.

— The tenant shall compensate the rent arrears until 30 June 2022 at the latest. In the event of a dispute, the tenant must substantiate that the non-payment was based on the effects of the COVID-19-Pandemic.

— The modifications are applicable for domestic and commercial tenants.

Landlord

— The termination rights of the landlords are restricted. A lease may not be terminated on the grounds that the tenant is in default with its monthly rent payments in the period from 1 April 2020 until 30 June 2020 if the non-payment was due to the effects of the COVID-19-Pandemic (the said period may be prolonged in the future till 30 September 2020 or even further).

— A deviation of this regulation to the disadvantage of the tenant is excluded. Landlords must accept non-payments of the rent for up to 24 months, which can be interpreted as a legally enforced deferral of the rent. The obligation of the tenant to pay rent is not suspended. Interest on the arrears and damages caused by delay are to be compensated. The termination right revives, if the tenant does not compensate the rent arrears until 30 June 2022. Terminations of the lease because of other breaches of the lease agreement are still possible. Further, the landlord can utilize the rent security during the lease term if and to the extent the landlord's payment claim against the tenant is undisputed.

Suspension of the obligation to file for insolvency

— The obligation to file for insolvency will be suspended until 30 September 2020 for companies which are suffering economic difficulties or have become illiquid because of the COVID-19-Pandemic (the suspension will not apply in cases in which the insolvency is not due to the Pandemic) provided that there are viable prospects for a future recovery from the illiquidity. Incentives are also to be put in place to help affected companies to operate economically again and to uphold their business relations. For a three-month transition period, the rights of creditors to request the opening of insolvency procedures are to be restricted.

Extending permissible interruption to criminal proceedings

— For a limited period of one year, the period for which criminal proceedings may be interrupted has also been extended. This is to enable courts to interrupt trials for a maximum period of three months and ten days, where trials cannot be held as a result of measures to prevent the spread of coronavirus infections.

Other regulations

— In the fields of cooperative law, company law, the law governing associations, foundations and the private ownership of apartments, as well as transformation law, provisions are to be eased. The aim is to enable the respective bodies to take necessary decisions and act in spite of ongoing restrictions on assembly. It is to be made easier to hold meetings using telecommunications. For a limited period, for instance, the annual general meetings of Aktiengesellschaften (public limited companies) may be held as virtual events without shareholders being present. For GmbH (private companies) it is to be easier to make decisions using written procedures. The proposed changes to the law governing the private ownership of apartments is to make it possible to dispense with annual meetings of owners for the meantime.

Germany (4/6)

3. Draft bill of the German Government as of 24th March 2020 (19/18110) (cont.)

Consumer loan agreements

— For consumer loan agreements entered into before 15 March 2020, claims for repayment, amortisation and interest which are due between 1 April and 30 June 2020 are **postponed** by 3 months from their due date if and to the extent the consumer suffers a decline of income due to the COVID-19 pandemic, making fulfilment of the relevant obligation unbearable for the debtor, specifically in cases where the debtor's means for living are endangered.

— Creditors' termination rights on the basis of non-payment or deterioration of credit or a deterioration of the realisable value of any collateral granted for such loan **are excluded** until 30 June 2020. The creditor has to offer to the consumer to negotiate a potential agreement and conceivable measures of support. If the parties don't agree for the time period after 30 June the term of the agreement will be extended by 3 months.

— Please note: in exceptional cases if the postponement of the payment or the exclusion of the termination right are unbearable for the creditor, the relief for the debtor shall not apply.

Germany (5/6)

4. Kreditanstalt für Wiederaufbau (KfW)

The German Federal Government has adopted a package of measures to help companies cope with the coronavirus crisis. **KfW's role in this crisis is to facilitate the short-term supply of liquidity to companies.**

KfW Entrepreneur Loan

- Companies on the market for longer than 5 years
- Assumption of risk (liability waivers) of up to 80% for the on-lending financing partners (usually the regular banks) for working capital loans with a volume of lending of up to EUR 200 million. A higher degree of risk assumption can facilitate the willingness of financing partners to grant loans.
- Granting of liability waiver also to large companies with annual turnover of up to EUR 2 billion (previously: EUR 500 million).

ERP Start-Up Loan – Universal

- Young companies on the market for less than 5 years
- Assumption of risk of up to 80% for the on-lending financing partners (usually the regular banks) for working capital loans up to EUR 200 million. A higher degree of risk assumption can facilitate the willingness of financing partners to grant loans.
- Granting of liability waiver to large companies with annual sales of up to EUR 2 billion (previously: EUR 500 million).

Direct participation for syndicated financing

- KfW Special Programme - Syndicated financing from 25 million Euro
- KfW participates in syndicated financing for investments and working capital of medium-sized and large enterprises. KfW assumes up to 80% of the risk, but no more than 50% of the total debt.

Highlighted in yellow = changes or additions as at 30 March 2020

Germany (6/6)

5. Main sources of information

- Federal Government: Coronavirus in Germany: https://www.bundesregierung.de/breg-de/themen/coronavirus/coronavirus-1725960
- Federal Government: Protective shield for employees and companies: https://www.bundesregierung.de/breg-de/themen/coronavirus/milliardenhilfen-wegen-corono-1730386
- Federal Ministry of Labour: Coronavirus: Labour law implications: https://www.bmas.de/DE/Presse/Meldungen/2020/corona-virus-arbeitsrechtliche-auswirkungen.html
- German Parlamant: Parlament votes for changes short-time working compensation: https://www.bundestag.de/dokumente/textarchiv/2020/kw11-de-ausbildungsfoerderung-686436
- Federal Government: Easier access to short-time work benefits: https://www.bundesregierung.de/breg-de/themen/coronavirus/bundestag-kurzarbeitergeld-1729626
- Federal Government: Temporary border controls: https://www.bundesregierung.de/breg-de/themen/coronavirus/kontrollen-an-den-grenzen-1730742
- Federal Ministry of Economics and Energy: Effects of the coronavirus - information and support for companies: https://www.bmwi.de/Redaktion/DE/Dossier/coronavirus.html#unterstuetzung

Highlighted in yellow = changes or additions as at 30 March 2020

Gibraltar (1/2)

Contacts:
Tax: Darren Anton – darrenanton@kpmg.gi

Customs/Import and Other Miscellaneous Taxes

— Import customs duties are waived until midnight on April 30, 2020 in respect of all classes of goods (except for the tobacco, fuel, and alcohol). This waiver will be reviewed by the government with business representative organisations before the end of April 2020.

Filing/Payment Deadline Extension

— Employers in all sectors, during the second quarter of 2020, will be allowed to defer their payments of “pay as you earn” and social insurance (PAYE and SI) contributions by eight weeks from the due date. Any additional extensions will be expected to be considered by the government in consultation with businesses.

Payroll Tax

— The payment of salaries to employees by affected businesses in the hospitality, leisure, distributive, and catering sectors will not be subject to PAYE or employee or employer social insurance contributions for the month of April 2020.

Business and employee assistance terms

— The COVID-19-related salary is £1,155 per month in relation to a full-time employee (working 7.5 hours per day or more) or a self-employed person, and would be apportioned for those who work less than full-time or are on zero-hours contracts.

— The COVID-19-related salary is not subject to income tax (whatever the cumulative income of the individual over the year of assessment) or a social insurance deduction on the part of the employer, the employee or the self-employed person (but social insurance would be deemed as paid for the purposes of that individual’s records).

Gibraltar (2/2)

Business and employee assistance terms (continued)

— The amounts for the COVID-19-related salaries will be received by employers and the self-employed during the last week of each month during the "COVID-19 period" starting from the last week in April 2020—thereby allowing employers to pass these Covid-19- related to salaries to employees in April (therefore, March salaries are still expected to be paid by employers as usual). This payment will initially be only for April 2020, but the government is also making arrangements so that these payments can continue, if necessary, in May and June 2020.

— Any terminations of employment registered by companies from 15 March 2020 will not be allowed without the specific consent of the Director of Employment, and this consent will only be granted in exceptional circumstances.

Main sources of information

— Gibraltar: Relief for businesses affected by coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-gibraltar-relief-for-businesses-affected-by-coronavirus.html

— Gibraltar: More tax, business relief measures, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-gibraltar-more-tax-business-relief-measures-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Greece (1/3)

Contacts:
Tax: Christos Krestas – grckrestas@kpmg.gr

The employment-related measures are included in two legislative decrees as guidance providing relief in response to the coronavirus (COVID-19) pandemic

Companies whose operations have been suspended by virtue of a state order

— The support measures for the employees of companies in this category are as follows:

- As of 18 March 2020 and for as long as the emergency measures are in force, dismissals are forbidden whereas any dismissals in violation of the restriction in question are invalid.
- Employees are entitled to collect a special purpose indemnity to the amount of EUR 800 burdening the State Budget.
- The special purpose indemnity cannot be seized or set off against any debts and is tax free.
- Full social security coverage of the employees by the State on the basis of their contractual salary.

— Certain categories of employees are exempted from the above special support mechanism (for instance, employees working from home or employees whose employment agreement is not suspended because of the restriction of the companies' operation).

— Further, specific obligations are imposed on the employer in order for their employees to collect the special purpose indemnity (filing of a Statutory Declaration with the Information System ERGANI for the eligible employees and notification of the above filing and its filing number – in writing or by electronic means – on the same day to the employee)

Affected Companies on the basis of Professional Activity Code (ΚΑΔ)

— Within one month from the publication of the Legislative Decree dated 20 March 2020 which can be extended by virtue of a Ministerial Decision, companies falling in this category can suspend their employees' employment agreements (all employees or part thereof).

— Companies that benefit from the above possibility:

- Cannot proceed with dismissals during the period of suspension and any such dismissals in violation of the related restriction are invalid.
- Following the expiry of the suspension period, are obliged to maintain the same number of employees for a period of time equal to the suspension period.

Greece (2/3)

Other employment relations' regulations

— Employers whose activity is significantly affected or whose activity has been restricted can transfer personnel between companies of the same Group, on the basis of a mutual agreement and on the condition that the total number of employees employed before the transfer is not reduced. The details for the application of the provision in question are anticipated to be set out in Ministerial Decisions.

— For a period of up to six months commencing on 20 March 2020, employers can appoint a "safe operation" personnel as follows:

  – Each employee can be occupied at least 2 weeks on a monthly basis (continuously or intermittently) and

  – The above organisation of work is made on a weekly basis and covers at least 50% of the company's personnel.

— Employers that wish to benefit from the above possibility must not reduce the number of employees working for the company at the time the above system has been implemented and proceed with the required notifications with the Information System ERGANI. The details for the application of the provision in question are anticipated to be set out in a Ministerial Decision.

— The granting of the special purpose leave provided for in the Legislative Decree dated 11 March 2020 to parents employees of certain companies (companies engaged in the sectors of energy and water supply burdened with the continuous supply of the country with electricity, gas, liquid fuel and water, companies engaged in the production, transport and supply of goods, fuel, medicines and paramedical supplies to shops/companies selling the goods in question) is conditional upon a justified opinion of the companies' management on the basis of the applicants' position and duties.

— Employers who have exhausted the applicable limits of overtime occupation can continue to occupy their employees' overtime without the approval of the Minster of Employer on the basis of an opinion of the Supreme Work Council under conditions.

— Certain companies can extraordinarily and temporarily supersede the restriction of Sunday and public holidays work under conditions.

— Both possibilities above are valid for a period of up to six (6) months from the entry in force of the Legislative Decree dated 14 March 2020.

Greece (3/3)

Tax relief measures have further been announced to address the effects of the coronavirus (COVID -19) pandemic.

The tax relief includes:

— A four-month deferral of value-added tax (VAT) payments and social security payments due at the end of March for companies operating in areas affected by the outbreak and which shut down for at least 10 days

— Extension to 31 August 2020 of the payment deadlines for tax remittances due in the period from 11 March 2020 until 31 April 2020

— Suspension of tax collection of assessed taxes that were unpaid as of 11 March 2020, suspended until 31 August 2020

— A reduced rate of value added tax (VAT)—reduced to 6% from 24%—for certain products that are necessary to protect against COVID-19 (such as mask and gloves, antiseptic liquids and wipes, etc.) effective until the end of the year (31 December 2020)

— A four-month extension for the payment of real estate tax, when the owner (landlord) is an individual

— Acceleration of refunds of income tax and VAT, when the refund amounts do not exceed €30,000 per type of tax and per taxpayer

— Certain freelancer, self-employed or independent contractors will be eligible for compensation payment of €800 to address COVID-19 implications, and tax payments due in March 2020 by these persons will be extended for four months

— It was further announced that the planned reform of the “unified real estate ownership tax” (UREOT) regime will be postponed.

— A new EUR 500 million scheme in collaboration with the European Investment Fund (EIF) could address the financing gap faced by SMEs, which is expected to grow in the context of the coronavirus

Main sources of information

— Greece: Tax measures in decrees, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-greece-tax-measures-in-decrees-response-to-coronavirus.html

— Greece: Tax payment extensions part of tax relief measures (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-greece-tax-payment-extensions-tax-relief-measures.html

Europe - Countries from H to P

Highlighted in yellow = changes or additions as at 30 March 2020

Hungary (1/2)

Contacts:
Tax: Gábor Beer – gabor.beer@kpmg.hu
Restructuring: Andrea Sartori – andrea.sartori@kpmg.hu

The government on 18 March 2020 introduced amendments to social security and certain tax payment rules in response to the coronavirus (COVID-19) pandemic.

Social security

Modified social security rules shall be applied for the period of March-June 2020 to the following sectors:

— Hospitality and tourism;

— Entertainment, film industry, performing art;

— Sport services;

— Event organisation;

— Gambling.

The rules for social security contributions in the above sectors have been amended as follows:

— Employers will not be liable to pay their part of social security contributions (17.5%+1.5%) with respect to employment income provided by them in the March-June 2020 period.

— Employees will only be liable to pay 4% healthcare social security contribution on the employment income received in the March-June 2020 period, instead of the aggregated 18.5% social security contribution. Nevertheless, the upper limit of the above healthcare social security contribution will be HUF 7,710/month. It should be noted that personal income tax will be still payable.

Simplified lump-sum taxation amendments

Special rules will be applicable for entrepreneurs dealing with passenger transport who opted for simplified lump-sum taxation (known as 'KATA' in Hungarian). Based on the amendments such entrepreneurs are not obliged to pay lump-sum tax in the March-June 2020 period.

Hungary (2/2)

Other measures:

— Loan repayments are suspended until the end of 2020 for all private individuals and businesses who took loans out before 18 March.

— Short-term business loans are prolonged until 30 July

— The annual percentage rate (APR) of new consumer loans has been maximised at the central bank prime rate plus 5 per cent

— Employment regulations will be made more flexible to facilitate agreements between employees and employers in the current situation

Main sources of information

— Hungary: Social security relief for employers, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-hungary-social-security-relief-employers-response-coronavirus.html

— Hungarian Government: https://www.kormany.hu/en/the-prime-minister/news/we-are-suspending-principal-and-interest-payment-liabilities-on-loans

Highlighted in yellow = changes or additions as at 30 March 2020

Iceland (1/2)

Contacts:
Tax: Ágúst K Guðmundsson – akgudmundsson@kpmg.is
Restructuring: Svanbjorn Thoroddsen – sthoroddsen@kpmg.is

Tax relief in response to coronavirus (COVID-19)

Considering recent events, the Icelandic government is working on getting the necessary legislative amendments passed by the Icelandic Parliament.

The Icelandic Parliament on 13 March 2020 passed legislation that provides for the postponement of tax payments.

— Postponement of the payment deadline for part of the social security tax to 15 April 2020. Legal entities are permitted to postpone the payment of half of the social security tax, that was originally due on 16 March 2020 to 15 April 2020.

— Postponement of the payment deadline for part of the public levies on source to 15 April 2020. Legal entities are permitted to postpone the payment of half of the public levies on source, that was originally due on 16 March 2020 to 15 April 2020.

— No penalty or surcharge on account of the late payments. The penalty or surcharge will not be imposed with regard to partial payments, provided that full payment is made by 15 April 2020.

The Icelandic government indicated there will be further action in the coming days in order to respond to the many challenges presented by the COVID-19 outbreak.

Act on temporary payments to individuals due to loss of income from being quarantined without signs of being infected

— Employees who are quarantined will get paid a salary. In such cases where an employee is quarantined but does not have the right to a salary from their employer during the quarantine, the government shall pay the employee his salary.

— The goal of the new Act is to allow individuals to follow the commands of the public health authorities without worrying about loss of income.

— The bill only applies to the private employment market. As the bill only applies to employers, employees and independently employed individuals on the private employment market it is estimated that it will apply to approximately 140,000 individuals, or a total of 75% of the total employment market.

— The aid is conditional. The bill states that certain conditions must be met, for instance the employer of the quarantined employee must be able to prove that he has paid the employee's salary during the active period (1 February 2020 – 30 April 2020).

— Salary cap. The bill states that a cap will be put on government payments, the payments may not exceed 633.000 krona per employee, per calendar month.

Iceland (2/2)

Increased right to unemployment benefits for part-time employees

The Minister of Social Affairs and Children has submitted another bill to Parliament regarding changes to the Act on Unemployment Insurance and the Act on Wage Guarantee Fund. The bill's objective is to assist companies in maintaining their employees until the economic difficulties associated with COVID-19 dissolved. The proposed amendments of the bill are thus temporary.

Companies experiencing temporary operating difficulties are encouraged to exercise the option to temporarily downgrade full-time employees to part-time employees rather than terminating the contract of employment. It is of great value to society that as many people as possible maintain their employment.

Should the bill be enacted into law it will carry the following changes:

— Individuals who are downgraded to part-time employment could have certain rights to unemployment benefits. These benefits would amount to the proportional loss of income of the employee after he was downgraded to part-time. The conditions of these benefits are that the employee's employment rate must have been reduced by at least 20% and that the employee maintains at least a 50% employment rate.

Further action to be announced

The Icelandic government will be announcing further action in the coming days in order to respond to the many challenges presented by the COVID-19 outbreak. The government approved a 7-point plan on 10 March on actions against the COVID-19 outbreak effects.

The Central Bank lowered the policy rate by 50 basis points to 2.25%, the sixth reduction within 10 months.

Main sources of information

— Iceland – Tax relief in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-iceland-tax-relief-response-coronavirus.html

— Government of Iceland: https://www.government.is/news/article/2020/03/21/Icelandic-Government-announces-1.6bn-USD-response-package-to-the-COVID-19-crisis/

Highlighted in yellow = changes or additions as at 30 March 2020

Italy (1/6)

Contacts:
Tax: Eugenio Graziani – egraziani@kpmg.it
Restructuring: Federico Bonanni – fbonanni@kpmg.it

1. Available measures to support people employed by corporations

— The Government has expanded the reasons for access to the "Cassa Integrazione Ordinaria" (support of salary payment by the State), providing for the possibility for employers who suspend or reduce work activity for events related to the epidemiological emergency from Covid-19, to apply for the support check "integrazione salariale" with a COVID-19 emergency reason, for a maximum period of nine weeks from 23 February 2020 and in any case by August 2020.

— The procedure for opening the integration fund (information phase and trade union consultation, as well as joint examination if requested) remains confirmed. The application may be submitted by the end of the 4th month following the period in which the period of suspension or reduction of work has begun and is not subject to the verification of the cause.

— The Government has scheduled for the year 2020 from 5th of March, a specific leave for parents with children under the age of 12 (a master limit that does not apply with reference to children with disabilities in a situation of proven severity school of all order and grades or housed in day care centres). The beneficiaries are both private and public sector workers. The use of leave is recognised alternately with both parents, for a continuous or fractional period of no more than 15 days, and is subject to the condition that there is no other parent in the household who is the beneficiary of parental means of income support in the event of suspension or termination of employment or other unemployed or non-worker parent

— The Government has ordered the award of a allowance for March of EUR 600 (which does not contribute to income formation) to the following subjects: "Partite IVA" (autonomous workers), seasonal workers (tourism, agriculture).

— A redundancy fund boosted by 5Mds€ to provide 9 weeks' salary for workers not covered by other social safety nets. Administrative processes are simplified, and Temporary suspension of mortgage payments for first-time homebuyers, including self-employed who have lost more than one-third of their turnover during the last quarter.

— A fund for last resort income support (appropriation of 300m€ for 2020) is established for employees and self-employed workers who ceased, reduced or suspended their employment relationship or business due to the pandemic.

Italy (2/6)

2. Tax-related support for businesses:

— For a period of 9 months after the law (Decreto) came into force, the State, through the Central Guarantee Fund for SMEs, provides a guarantee, free of charge, for a single enterprise, up to 5 million euros, aimed at financing operations.

— For the subjects – sports federations, sports clubs, operators who manage sports facilities, gyms pools and fitness centres, hospitality tourism companies, travel and tourism agencies and tour operators, catering sectors, the organisation of events, the rental of transport, passenger transport, cultural, museum, naturalistic activities, lottery receptions, etc. – (expressly listed in the Decree) is provided:

— the suspension of the expiring terms until 30 April 2020 relating to withholding payments on employee and assimilated income;

— The suspension of the deadline until 30 April 2020 relating to social security and welfare payments, premiums for compulsory insurance and related obligations;

— the suspension of the expiring terms in March 2020 relating to VAT payments and Tax reductions as well as tax credits for businesses that declared a 25% drop in their revenues.

— Suspended payments will be made in a single solution as of May 31, 2020

— For all subjects with fiscal domicile in Italy: Suspension of tax obligations (e.g. VAT declaration), other than payments and withholding taxes, expiring between 8 March 2020 and 31 May 2020. These requirements will be carried out by 30 June 2020.

Highlighted in yellow = changes or additions as at 30 March 2020

Italy (3/6)

Suspension of withholding tax for taxpayers with revenues / fees not exceeding € 400,000

— For subjects operating in Italy and who in the tax period preceding the one in progress of the Legislative Decree n. 18 have achieved revenues or fees not exceeding Euro 400,000, the revenues and fees received in the period between the date of entry into force of the decree and March 31, 2020 are not subject to withholding taxes.

Suspension for taxpayers who also carry out business activities with revenues or fees not exceeding Euro 2 million operating in Italy

— Suspension of the deadline, between 8 March and 31 March 2020, relating to withholding tax payments on employee and related income, payments of value added tax, payments of social security contributions, insurance premiums and all payment deadlines related to payment notices ('cartelle di pagamento') issued by collection agents and by the social security authorities, as well as tax assessment notices ('avvisi di accertamento') issued by the tax authorities.

Provisions concerning corporate liquidity - assignment of credits

— In the event of the sale by a company, for consideration, by December 31, 2020, of financial receivables due from debtors, transformation into tax credit of the deferred tax assets related to: tax losses not yet calculated as a decrease of taxable income.

— **Central Guarantee Fund (Fondo Centrale di Garanzia)**

— For a period of 9 months from the entry into force of Legislative Decree n. 18, intervention of the guarantee of the Central Guarantee Fund, up to € 5 million, per individual company, for financing operations, also for restructuring of debt.

Transport provisions

— Suspension of the terms of payment of the fees relating to the maritime transport of goods for the period between 16 March and 31 July 2020; the terms of periodic and deferred payment of customs duties are postponed for a further 30 days

Italy (4/6)

Economics support

— the Italian government announced that it would inject 25Mds€ into the economy to fight the coronavirus epidemic to help sectors such as tourism and the logistics and transportation industry, which have been severely affected by the virus, This stimulus adds to previously announced support to regions, for a total of 900m€;

Moratorium on the payment of corporate debt has been introduced

— Supported by the government, the Italian Banking Association has announced an agreement with various professional associations to set up a large-scale moratorium on debt repayment, including mortgages. and repayments of small loans and revolving lines of credit. It will concern loans taken out by companies until 31 January 2020.

Liquidity shortages and facilitate access to financing

— The National Institute for Promotion and the development finance institution, have increased the funding limit for banking system from 1Mds€ to 3Mds€. The funds are intended to provide subsidised loans to SMEs and mid-caps to support cash flow and investments.

— Micro-enterprises and SMEs of all types, including freelancers and sole proprietorships, can benefit from a moratorium on a total volume of loans estimated at around 220Mds€. Credit lines, loans for advances on securities, short-term loan maturities and instalments of loans due are frozen until 30 September

To support export activity

— The Italian export credit agency (SACE) announced a package of 4Mds€ to help SMEs meet cash flow needs and diversify markets. export. In addition, the Italian Agency for the Promotion of Business Internationalisation (ICE) has cancelled the costs already incurred by companies for participation in fairs and events, also offering alternative visibility solutions.

To support the production and supply of medical devices and personal protective equipment

— In compliance with the Decree no. 18/2020 the Extraordinary Commissioner appointed for implementing the anti-Covid-19 adopted measures has introduced financing facilities for a maximum percentage of 75% of the admitted costs for investment plans aimed to increase the supply of medical devises and personal protective equipment (within the maximum limit of support provided by the Italian government amounting to Euro 800.000).

Italy (5/6)

All industrial and commercial activities suspended, response to coronavirus (COVID-19)

— The Italian government on 22 March 2020 published a decree that essentially suspends all industrial and commercial activities, with certain exceptions for "essential activities."

— The suspension directive applies to the whole of Italy and is effective from 23 March until 3 April 2020.

— Businesses subject to the directive have until 25 March 2020 to prepare to suspend their activities.

Enhanced transparency in "listed companies" and disclosure requirements (COVID-19)

— The Italian exchange commission (CONSOB) issued Resolution no. 21304 (17 March 2020) to lower the reporting threshold for substantial interests in listed companies.

— The resolution lowers the threshold for the reporting of substantial interest to 1% (down from 3%) for companies with "high market capitalisation" and a large number of shareholders, and to 3% (down from 5%) for small and medium size entities (SMEs). CONSOB has not considered it necessary to extend the resolution to all Italian companies listed on the electronic share market (Mercato Telematico Azionario di Borsa Italiana S.p.A.); rather, the resolution only affects 48 companies, 10 of which are SMEs.

— The resolution is a relief measure relating to the coronavirus (COVID-19) pandemic and its implications for the Italian financial market. The intention to determine that corporate governance operates efficiently and transparently.

Italy (6/6)

Main sources of information

— Italy: Tax relief and incentives in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-italy-tax-relief-and-incentives-in-response-to-coronavirus.html

— Italy: Suspension of tax audits, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-italy-suspension-of-tax-audits-response-to-coronavirus.html

— Italy: All industrial and commercial activities suspended, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-italy-industrial-commercial-activities-suspended-coronavirus.html

— Solidarietà digitale: https://solidarietadigitale.agid.gov.it/#/

Highlighted in yellow = changes or additions as at 30 March 2020

Ireland (1/3)

Contacts:
Tax: Orla Gavin – orla.gavin@kpmg.ie
Restructuring: Kieran Wallace – kieran.wallace@kpmg.ie

Irish Revenue announced certain tax relief measures designed to help support small and medium businesses (SMEs) experiencing cash-flow and trading difficulties as a result of the coronavirus (COVID-19) pandemic.

The relief concerns value added tax (VAT) and “pay as you earn” (PAYE) obligations, such as:

— Interest on late payments of January and February VAT and both February and March PAYE liabilities are to be suspended.

— All tax enforcement activity will be suspended until further notice.

— Irish Revenue also announced that the planned “relevant contracts tax” (RCT) scheduled for March 2020 is suspended. RCT is a withholding tax that applies to certain payments by principal contractors to subcontractors in the construction, forestry, and meat-processing industries, at rates of tax of 0%, 20%, and 35%.

Irish Revenue announced that critical pharmaceutical products and medicines will be given “green routing” status for customs purposes in order to provide for an uninterrupted importation and supply process.

Filing/Payment Deadline Extension

— Tax returns must be sent on time regardless of businesses experiencing temporary cash flow difficulties

— The current tax clearance status will remain in place for all businesses over the coming months

Ireland (2/3)

The Irish government on 24 March 2020 announced measures to provide financial support to Irish workers and companies affected by the coronavirus (COVID-19) crisis.

The measures include a temporary COVID-19 wage subsidy scheme that provides, for 12 weeks, a program focused on assisting employers with employees who were laid off without pay. The key features of the scheme include:

— Initially, and from Thursday 26 March 2020, the subsidy scheme will refund employers up to a maximum of €410 per each qualifying employee. However, employers should pay no more than the normal take home pay of the employee.

— From April 2020, the scheme will move to a subsidy payment based on 70% of the weekly average take home pay for each employee up to a maximum payment of €410. Revenue is to issue further detailed guidance on the calculation of the subsidy amount for different employee earning levels.

— Employee Pay Related Social Insurance (PRSI) will not apply to the subsidy amount and employer PRSI will apply at a rate of 0.5%.

Other income support measures for employees and self-employed persons.

In addition to the “Temporary Covid-19 Wage Subsidy Scheme” the government announced some further enhanced income support measures, including:

— Where employees who have been laid off, they can avail of an enhanced emergency COVID-19 Pandemic Unemployment payment by making an application direct to the Department of Employment Affairs and Social Protection (DEASP). This payment has been increased from €203 to €350 per week. Those claiming under the existing scheme will receive the increased €350 amount.

— Self-Employed individuals will be eligible for the COVID-19 Pandemic Unemployment Payment of €350 directly from DEASP rather than receiving payments from Revenue.

— The COVID-19 illness payment available to workers who have who have either been told to self-isolate or have been diagnosed with COVID-19 of €203 has also been increased to €350 per week.

Ireland (3/3)

Main sources of information

— Irish government: https://www.gov.ie/en/news/72ecf5-government-agrees-next-phase-of-irelands-covid-19-response/

— Department of Business, Enterprise and innovation :https://dbei.gov.ie/en/What-We-Do/Supports-for-SMEs/COVID-19-supports/Government-supports-to-COVID-19-impacted-businesses.html

Highlighted in yellow = changes or additions as at 30 March 2020

Latvia (1/2)

Contacts:
Tax: Steve Austwick – saustwick@kpmg.com

General information

The government has announced the following measures:

— The government will cover 75% of the costs of outbreak-induced sick leaves or workers' downtime, or up to EUR 700 per month;

— A postponement of tax overdue for up to three years if the overdue are an effect of the outbreak.

— Simplification and speeding-up of tax refunds for entrepreneurs and forego personal income tax advances in 2020.

A Latvian bank launched an initiative to support SMEs and Fintech in Baltic states

ALTUM, the national development finance institution, will provide loan guarantees and loans for crisis solutions to businesses affected by the Covid-19 crisis. Interest rates on loans for tourism sector businesses will be cut by 50% for small and medium enterprises and by 15% for large enterprises in tourism and related sectors.

On March 24th, the government of Latvia announced tax relief measures to support businesses in response to the coronavirus (COVID-19) pandemic

In general, through 30 June 2020, tax relief allows for:

— Postponement of current and overdue tax payments, for up to three years, or the ability to make instalment payments when the delay is related to COVID-19 without triggering late-payment penalties; a request must be submitted to the tax authority

— A quicker process for refunds of input value added tax (VAT); beginning 1 April 2020, the tax authority will refund the approved input VAT within 30 days after the due date of submitting the VAT return (and not until end of the tax year), and the faster refund of input VAT will also apply for January and February 2020

— Cancellation of advance payments of individual (personal) income tax for self-employed individuals, and no late-payment fees for failure to remit the advance payments

Latvia (2/2)

General information (continued)

— Postponement of real estate tax payments to be allowed by municipalities

— Submissions of financial statements (annual report and consolidated annual report) may be made later than the legal deadline (three or four months, respectively)

Main sources of information

— Latvia: Tax relief included in government's response to coronavirus (COVID-19):https://home.kpmg/us/en/home/insights/2020/03/tnf-latvia-tax-relief-response-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Lithuania (1/2)

Contacts:
Tax: Birute Petrauskaite – bpetrauskaite@kpmg.com

General information

The government launched a EUR 5 billion support plan in the week of 16 March, which includes EUR 500 million for maintaining business liquidity and EUR 1 billion for speeding up investment.

The Economic and Financial Action Plan provides for accelerating investment programmes by accelerating payments and increasing the intensity of funding. It plans to reallocate EU investment funds to health, employment and business, accelerate the use of public budget funds for running costs, to use all funds from the Climate Change and Road Maintenance and Development Programs and to accelerate renovation of apartment buildings.

In relation to the outbreak of the COVID-19 virus, the Lithuanian Government and the Tax authorities will apply certain tax related measures to assist tax payers with their ongoing obligations.

Corporate Income Tax (CIT):

— The deadline for submission of advance CIT returns and respective tax payment is deferred until 30 March 2020 (instead of 16 March 2020)

— Possibility to change the advance CIT calculation method, e.g. based on the prognosis for the current year (considering the possible income decline) instead of previous years' results.

Tax Administration:

— Possibility to apply for tax instalment (loan) agreement to defer tax underpayments (without interest). It should also be available for employer's Personal Income Tax (PIT) obligations (the exact terms and conditions should be confirmed)

  – Suspended recovery of tax underpayments

  – Taxpayers to be relieved from penalties and late payment interest (the procedures still to be confirmed)

Lithuania (2/2)

Main sources of information

— Lithuania: Extended tax return, tax payment deadlines in response to coronavirus: https://home.kpmg/us/en/home/insights/2020/03/tnf-lithuania-extended-tax-return-tax-payment-deadlines-in-response-to-coronavirus.html

— Government of the Republic of Lithuania: https://lrv.lt/en/news/eur-5-billion-for-public-health-and-the-national-economy

Highlighted in yellow = changes or additions as at 30 March 2020

Luxembourg (1/2)

Contacts:
Tax: Louis Thomas – louis.thomas@kpmg.lu
Restructuring: Zia Hossen – zia.hossen@kpmg.lu

Direct taxes

— Companies and self-employed individuals that realise income from a profession, or commercial or agricultural activities can request help if they are facing liquidity issues due to COVID-19. Eligible taxpayers can file a request for: (1) cancellation (annulation) of the first and second quarterly advance payments for both (corporate) income tax and municipal business tax for 2020; and (2) a four-month extension to the deadline for the payment of (corporate) income, municipal business and net wealth taxes due after 29 February 2020, without any penalty for late payment. The tax authorities will automatically approve all eligible requests.

— Furthermore, the authorities have extended the deadline to file both corporate and individual (personal) income tax returns to 30 June 2020

VAT

— We expect to see the government pass measures to support enterprises, artists and freelancers very quickly. Among the soon-to-be released measures, the Luxembourg VAT authorities may extend the deadlines for submission of VAT returns and payment extensions. VAT credits below EUR10,000 should be reimbursed as from this week. Until new measures have been passed, the Luxembourg VAT authorities' have asked companies to communicate with them electronically, in so far as is possible.

Luxembourg (2/2)

To help SMEs

— The Luxembourg Ministry for the Economy has set-up a hotline and website with information for enterprises, which includes a FAQ on existing measures for companies, including SMEs (financial support and partial employment).

— The government emphasised that SMEs experience more challenges related to liquidity than large companies as a result of such events. The granting of aid through the bill is subject to three conditions:

- That an event has been recognised as having a harmful impact on the economic activity of certain undertakings during a given period;
- That the company is experiencing temporary financial difficulties, and;
- That there is a causal link between these difficulties and the event in question.

Main sources of information

— Ministry of Economy: https://meco.gouvernement.lu/fr/dossiers/2020/coronoavirus-entreprises.html

— Luxembourg: Tax relief in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-luxembourg-tax-relief-in-response-to-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Malta (1/5)

Contacts:
Tax: Andre Zarb – andrezarb@kpmg.com.mt
Restructuring: David Caruana – davidcaruana@kpmg.com.mt

1. EU Commission adopts State aid Temporary Framework

On March 19, 2020, the European Commission adopted a Temporary Framework to support the economy in the context of the COVID-19 outbreak. The Commission noted that the main fiscal response to the Coronavirus will come from Member States' national budgets and that the Commission will enable Member States to use the full flexibility foreseen under EU State aid rules to tackle the impact of the Coronavirus on EU economies.

The Temporary Framework will enable Member States to:

— Establish and provide schemes of direct grants (or tax advantages or advance payments) of up to€800,000 to a company to address urgent liquidity needs;

— Give state guarantees on bank loans;

— Enable loans to businesses at subsidised interest rates; and

— Enable short-term export credit insurance.

In addition, the new Framework will also seek to support the banking sector, allowing banks to channel aid to final customers, in particular small and medium-sized enterprises (SMEs).

2. Eurogroup statement on COVID-19

19On March 16, 2020, the Eurogroup, which comprises the nineteen EU Member States that have adopted the Euro as their official currency, held a discussion with non-Euro Member Areas. The Eurogroup released a statement on the outcome of the discussions and highlighted the following proposed coordinated response measures:

— All national authorities will implement necessary measures to ensure that the economic consequences of COVID-19 are tackled, including by implementing temporary measures such as:

  – Immediate fiscal spending targeted at containment and treatment of the disease.

  – Liquidity support for firms facing severe disruption and liquidity shortages: this can include tax measures, public guarantees to help companies to borrow, export guarantees and the waiving of delay penalties in public procurement contracts.

Malta (2/5)

2. Eurogroup statement on COVID-19 (continued)

- Support for affected workers to avoid employment and income losses, including short-term work support, extension of sick pay and unemployment benefits and deferral of income tax payments.

— The Eurogroup discussed the need to introduce measures to help economies recover once the Coronavirus has receded. In particular, the Eurogroup re-committed to continue work to further strengthen the architecture and resilience to shocks of the Economic and Monetary Union.

3. Launch of a Financial Package by the Maltese Government

Within the context of EU measures being adopted, during a press conference held on 18 March 2020, the Prime Minister together with the Minister for Finance and Financial Services and the Minister for the Economy, Investment and Small Businesses, announced a financial package to help the Maltese economy during the COVID-19 outbreak.

The Prime Minister explained that this financial package is intended to protect the liquidity of businesses and also to protect the Maltese families during this challenging period. The main measures can be summarised as follows:

Measures aimed towards the Economy in general

Deferral of payments of Income tax, Value Added Tax, Maternity Fund and National Insurance Contributions of up to €700 million. It appears that such tax deferrals have now been extended to all employers and self-employed irrespective of industry

— €150 million worth of bank guarantees to be provided.

— €750 million to be made available to businesses in the form of soft loans.

— 3-month moratorium can be requested from banks in relation to both personal and business loans.

— An additional €35 million to be made available to health authorities to cover any expenses necessary to

— fight COVID-19. This amount may be increased if necessary.

Malta (3/5)

Measures aimed towards Employment

— €350 grant will be awarded to employers for each employee required to be on mandatory quarantine leave.

— Government will cover the equivalent of two days' salary per week (based on a salary of €800 per month) in relation to employees of enterprises, including self-employed, which suffered from a complete suspension of operations (such as hospitality and entertainment and language schools). Self-employed persons in these sectors who employ people will get coverage for an additional day.

— Government will also cover the equivalent of one day's salary per week (based on a salary of €800 per month) in relation to employees of enterprises, including self-employed, which suffered at least 25% reduction in operations. Self-employed persons who suffer such a reduction and who employ people will get coverage for an additional day.

— Workers who lost or will lose their job with effect from 9 March 2020 will be entitled to a new temporary benefit of €800 per month.

— Similarly, persons with disabilities who have to stay at home due to health concerns that may arise as a consequence of Covid-19 and cannot telework will be entitled to a benefit of €800 per month for a specified period.

Additional Social Measures

— Additional leave for two months to be paid at the rate of €800 per month to families with children where both parents/guardians work in the private sector and neither is able to telework. This measure is intended to ensure that parents/guardians can take care of children while schools remain closed.

— Employees who will lose their job and have rent to pay will be entitled to a rent subsidy including those not previously entitled to such subsidy.

— Furthermore, government will increase the rent subsidy for those families where one dependent had his/her employment terminated.

Other measures aimed at Third Country Nationals

— Enterprises which will terminate the employment of an employee will be denied the possibility to offer such employment to a Third Country National.

— Work permit applications in relation to new Third Country Nationals will no longer be accepted except for highly skilled workers.

— Assistance will be provided to Third Country Nationals to find alternative employment in case of job termination.

— Jobsplus will be helping to find alternative employment to those who lose their jobs and to employers seeking recruits.

Malta (4/5)

Terms and conditions for applying for such tax deferrals

Objective

To improve business liquidity by easing pressures on their cash flow arising from the economic impact of the coronavirus pandemic and encourage the retention of employees

Eligible Taxes

Provisional tax, employee taxes, maternity fund payments and social security contributions, social security contributions of self-employed persons and Value Added Tax

Period covered

Eligible taxes which fall due in March and April 2020

Settlement period

Eligible taxes (excluding VAT) to be settled in four equal monthly instalments in the four month period between May and August 2020. VAT dues to be settled in two equal instalments with the two quarterly returns immediately following the quarter whose dues would have been deferred

Benefit

No interest or penalties to be charged in respect of eligible taxes that would have been deferred in terms of this scheme

Beneficiaries

Companies and self-employed persons that suffer a significant downturn in their turnover as a result of the economic constraints arising from the coronavirus pandemic and, as a result face substantial cash flow difficulties as identified in the online application form. Companies and self-employed persons not adversely hit are advised and encouraged not to avail themselves of this scheme. Ideally, eligible taxes should continue to be paid every month and on time because that would make for good business management

Malta (5/5)

Terms and conditions for applying for such tax deferrals (continued)

Specifically excluded

Companies and self-employed persons which have failed to comply with their tax obligations (submission of documents / returns and payments) falling due by the 31st December 2019

Forfeiture of benefit

The benefit granted under this scheme shall be forfeited if the beneficiary is found to be in breach of any of its terms and conditions making use of this scheme under false pretences. In case of forfeiture, beneficiaries will have to settle their dues as demanded by the Commissioner for Revenue and such payments shall be subject to interest or penalties as stipulated by law

Submissions

The benefit granted under this scheme shall not remove the obligation of beneficiaries to submit documents and returns by the due date as required by law

How to apply

Submission of the online Tax Deferral Scheme application form by not later than the 15th April 2020

Main sources of information

— Malta: Tax relief in response to coronavirus (COVID-19) pandemic: https://home.kpmg/us/en/home/insights/2020/03/tnf-malta-tax-relief-in-response-to-coronavirus-pandemic.html

— Business assistance during the Coronavirus: https://home.kpmg/mt/en/home/insights/2020/03/business-assistance-during-the-coronavirus-outbreak.html

Highlighted in yellow = changes or additions as at 30 March 2020

Netherlands (1/4)

Contacts:
Tax: Aroen Rambhadjan – aroenrambhadjan@kpmg.com
Restructuring: Ewald Van Hamersveld – vanhamersveld.ewald@kpmg.nl

- The Cabinet on 17 March 2020 announced additional measures to support Dutch employees, self-employed individuals, and the Dutch business community facing challenges from the coronavirus.
- The new measures reflect a deferral for paying taxes including energy tax and the levying of sustainable energy storage (ODE) for companies in the second, third and fourth tax bracket.
- Beginning 23 March 2020, the Cabinet will temporarily reduce the “collection interest” for all tax debts from 4% to 0.01%. Recovery interest is normally due if an assessment is not paid on time (from the time that the payment term has expired). The Cabinet also has reduced the tax rate for all taxes to which it applies, from 8% (corporate tax) and 4% (other taxes) to 0.01%.
- To support SMEs hit by the crisis via the opening-up of the guarantee instrument for SMEs (BBMKB) for those affected by the outbreak, which according to the government would directly provide EUR 300 million extra credit for SMEs
- Tax interest is payable if an assessment cannot be determined in time, for example because the tax return is not submitted on time or for the correct amount. The decrease to 0.01% is also temporary in nature and will take effect from 1 June 2020, with the exception of income tax: an effective date of 1 July 2020 applies.
- The tax administration will reverse assessments of a default penalty for a failure to pay tax (on time).
- Concerning a reduction of the provisional assessment, requests for reduction in connection with the coronavirus will be granted by the tax authorities. If an entrepreneur has already (partially) paid the provisional assessment and the amount of the new provisional assessment is lower, the difference will be paid to the entrepreneur**.**

Deferral of tax payments for 3 months related to coronavirus (COVID-19):

The Deputy Minister of Finance on 19 March 2020 informed the Lower House that every business that is facing financial difficulties as a result of the coronavirus (COVID-19) crisis will be eligible for a deferral of payment with regard to their tax debts (payments of tax).
Taxpayers need to submit a written request for the deferral of tax payments to the Dutch Tax and Customs Administration
As soon as the business has filed the request, the Dutch tax authorities will hold off on collecting corporate income tax, payroll tax, value added tax (VAT), and individual (personal) income tax. The tax collection deferral will apply, in principle and automatically, for a period of three months.

Netherlands (2/4)

Deferral of more than three months

— Additional information is required for requests of tax deferrals for periods of longer than three months (according to the website of the Dutch tax administration, the additional information may be a statement from an “expert” third party) in order to assess whether the financial difficulties are mainly caused by the coronavirus crisis. Businesses can use the first three months of tax deferral to provide this information.

— The government is currently considering what information will be necessary and how this can be provided as simply as possible. This aim is to limit the administrative burden for businesses as much as possible.

Business Income Tax

— If businesses expect to incur a loss for the 2020 financial year, whether or not due to the corona crisis, taxpayers may file a tax return immediately after the end of the financial year and request that this loss is provisionally set off against the profit for 2019 (as set by assessment) (provisional carry-back). Of the reported loss, 80% will be taken into account. The tax payable/paid for the 2019 financial year can then be either partly or fully reduced/refunded.

Filing/Payment Deadline Extension

No default penalty

— The tax administration will not impose or will reverse a default penalty assessment that has been imposed for non- payment of tax or late payment of tax.

Decrease provisional assessment

— If a provisional assessment has been imposed during the financial year, and it appears that the taxable profit will be lower than the profit estimated for the provisional assessment, a reduction of the provisional assessment can be requested (thus improving cash-flow since less tax will have to be paid immediately).

— The government has indicated that any requests for reduction in connection with the coronavirus will be granted by the tax authorities.

VAT refunds

— If the taxpayer’s customers are not able to pay their debts due to the coronavirus, then VAT paid in this regard can be reclaimed under certain conditions.

Netherlands (3/4)

The Government offers a link to informs people

— The Netherlands Enterprise agency offers a link with a FAQ section. It contains health-related information, but also information for employers on shortening working hours.

— Overall information provision to companies on the outbreak takes place via Chambers of Commerce.

Measures for economic support

— Temporary measure for compensation of wage costs for companies. Companies expecting a drop in value added (minimum 20%) can ask for a compensation of 90% of costs, 80% can be given as an advance;

— Additional measures to support self-employed, who can get non reimbursable income support for three months through a fast track procedure, or a low interest loan for working capital;

— Enlargement of the Guarantee Entrepreneurs finance measure (GO) for SMEs and larger firms, by raising the guarantee ceiling from EUR 400 million to EUR 1.5 billion. GO provides a 50% guarantee on bank loan and bank guarantees (minimum EUR 1.5 million, maximum raised to EUR 150 million);

— Small firms are offered a six month delay in repayments of micro loans through credits, with lowered interest rates to 2%;

— Temporary opening of BMKB guarantee instrument for agricultural and horticultural companies, and;

— Compensation for sectors especially affected by the outbreak.

Main sources of information

— Netherlands: Tax relief measures for businesses, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-netherlands-tax-relief-measures-businesses-response-coronavirus.html

— Netherlands: Deferral of tax payments for three months, relief related to coronavirus (COVID-19) : https://home.kpmg/us/en/home/insights/2020/03/tnf-netherlands-deferral-tax-payments-three-months-relief-coronavirus.html

Netherlands (4/4)

Main sources of information (continued)

— Government of Netherlands: https://www.rijksoverheid.nl/actueel/nieuws/2020/03/17/coronavirus-kabinet-neemt-pakket-nieuwe-maatregelen-voor-banen-en-economie

— Association of banks: https://www.nvb.nl/nieuws/banken-geven-bedrijven-extra-lucht-half-jaar-uitstel-van-aflossingen/

Highlighted in yellow = changes or additions as at 30 March 2020

Norway (1/3)

Contacts:
Tax: Anders H. Liland – anders.liland@kpmg.no

The government will establish two state-backed loan and guarantee schemes in the total amount of NOK 100 billion (approximately U.S. $10 billion) in an effort to provide liquidity for Norwegian enterprises.

Direct and indirect tax measures

— Tax relief for companies that carry back losses for that year against the two previous years' taxable profits. The tax value (22%)of the allowed carry back will be automatically paid out as part of the ordinary tax statement in 2021.

— Postponement of the second instalment of advance tax payment for companies until September 1st (originally due 15 April)

— VAT reduced from 12% to 8% from 20 March 2020 to 31 October 2020.

— Sales subject to the VAT low rate of 8% include passenger transport, overnight lodging, public broadcasting, access to cinema, museums, amusement parks and major sporting events.

— Low rates mean that the tax must be calculated at a rate of 12% VAT on sales, while deducting VAT on acquisitions for use in the business is normally 25%.

— The tax return for VAT for the first VAT period (January and February 2020) would be filed on 10 April 2020 (actually due on 14 April 2020, which is the first business day after the deadline for delivery of the VAT return). The deadline for paying VAT for the first ordinary VAT period in 2020 would be 10 June 2020.

— Extension of time for traders and certain other business owners to make the first instalment of advance payment of tax for 2020 would be provided to 1 May 2020 (from 15 March 2020).

— Owners of loss-making companies in 2020 could postpone payments of net wealth tax in respect of the value of the companies. This measure is intended to reduce the need for, among others, family-owned businesses to distribute dividends to owners to cover the wealth tax.

— The number of days employers are obliged to pay salaries to workers in case of temporary lay-offs would be reduced from 15 to two days. The intention is for this temporary measure to improve employers' liquidity and help avoid massive lay-offs

— A measure would suspend the tax on air passengers for flights from 1 January 2020 until 31 October 2020

— The proposal would allow the deduction of losses incurred in 2020 by filing an amended corporate income tax return, and a tax loss incurred in a given year would be deductible from income earned in five consecutive years.

— The Government's proposal would allow limited liability companies to apply up to NOK 30 million of corporate losses in 2020 against taxed profits the previous two years.

Norway (2/3)

State loan guarantees for new loans to small and medium-sized enterprises

— The government has proposed to establish a state guarantee targeted at bank loans to small and medium-sized enterprises suffering losses as a result of the extraordinary situation arising from the spread of the corona virus. The initial package of NOK 50 billion will be increased if needed.

Government Bond Fund

— The Government has further proposed to reinstate the Government Bond Fund. This will contribute to increased liquidity and access to capital in the Norwegian bond market, where larger companies typically raise their funding.

— "The Government Bond Fund will provide up to NOK 50 billion, to be invested in bonds issued by Norwegian companies. This is a measure we have positive experience with from the 2008 financial crisis", says the Minister of Finance.

— The fund will be managed by Folketrygdfondet, which is the state's fund manager for the Government Pension Fund Norway.

Lower threshold to temporary lay off employees.

— A reduction in the employer payment period of 14 days notification period + 15 days of payment period to 2 days notification period and 2 days payment period. Thereafter the government take over the salary payment obligation for a period of 18 additional days calculated up to a limited up to a salary of Nok599 148. After this period the government will cover 62,4% of salary, maximum amount approximately NOK 426 000 (approx. 70% of salary)

Social security contribution –rate reduction

— To reduce costs and improve cash flow immediately, social security contribution rate will be reduced with 4 percent of the total contribution rate of 14.1% assumable for the salary payments in March an April. The payment deadline will be May 25th and the relief will have an immediate effect.

— Some areas in Norway have already have a reduced rate; it is uncertain if the same reduction applies to these areas.

Social security contribution –Postponement of payment

— Payment of social security contribution originally due 15 May is postponed until 15. august 2020.

CIT – Reduction of advance tax payments by way of ordinary means (not a Covid-19 measure)

— Businesses that expects significantly lower profits comparing 2020 to previous years may apply for reducing the amount of advance payment of tax possibly to nil. Application must be submitted well in advance of the due date for the final instalment, i.e. well in advance of 15 April 2020.

Norway (3/3)

Main sources of information

— Norway: Legislation adopted, financial and tax relief relating to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-norway-legislation-adopted-financial-tax-relief-coronavirus.html

— Norway: Economic, tax measures to address coronavirus (COVID-19) situation: https://home.kpmg/us/en/home/insights/2020/03/tnf-norway-economic-tax-measures-to-address-coronavirus-situation.html

— Norway: VAT relief measures, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-norway-vat-relief-measures-coronavirus.html

— Norway: Legislation adopted, financial and tax relief relating to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-norway-legislation-adopted-financial-tax-relief-coronavirus.html

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Poland (1/4)

Contacts:
Tax: Marcin Rudnicki – mrudnicki@kpmg.pl
Restructuring: Krzysztof Klamut – kklamut@kpmg.pl

The government on 18 March 2018 presented economic measures in response to the coronavirus (COVID-19) pandemic, and among those measures are tax-related proposals. Moreover, the Minister of Finance announced that the tax on retail sales would be deferred until the end of the year.

Supporting business on hard times

— Retroactive settlement of tax loss—the ability to deduct losses incurred in 2020 by filing an amended corporate income tax return, and a tax loss incurred in a given year would be deductible from income earned in five consecutive years.

— Postponed deadlines—the effective date of new SAF-T-V7M would be postponed to 1 July 2020 (from 1 April 2020), and VAT settlements would be facilitated.

— The deadline for companies to enter information into a central register of beneficial ownership would be postponed to 1 July 2020 (from 13 April 2020).

— Social security contributions—a special order issued 17 March 2020 provides that entrepreneurs in “a difficult situation” may submit a simplified application for three-month deferment of the payment of social security contributions for February, March, and April 2020 (the deferral would apply for payments that had been due on 10 or 15 March, April, and May).

— This deferral will be subject to discretionary assessment. Moreover, if the entrepreneur is in arrears in the payment of contributions and cannot repay them in one payment, an instalment arrangement may be requested. Once this arrangement is signed, the enforcement proceedings will be suspended. Moreover, enforcement of receivables from the period February - April 2020 will be suspended for taxpayers, that at the end of January 2020, were not in arrears with social security contributions.

— Other changes—include:

  — Postponed deadline for filing individual income tax returns

  — Facilitations related to split-payment mechanism

  — Accelerated VAT refunds

  — Possible recognition of expenses as tax deductible costs, due to cancellations of tours by entities operating in the tourism sector

  — Relief from prolongation fee

Poland (2/4)

On 21 March 2020, President Andrzej Duda announced a 3-month exemption from social security contributions for self-employed and micro-enterpreneurs whose revenues in March dropped by more 50%, compared to February this year.

Preliminary Anti-Crisis Shield submitted for consultation on 21 March 2020

- The bill contains almost 70 considerations in the area of: improving the financial liquidity of enterprises, postponing the implementation of certain obligations, securing jobs and employees' incomes, as well as solutions enabling and improving the implementation of tasks.
- In particular, the bill contains proposal for statutory changes in the area of taxes; they were slightly amended compared to previous announcements and relate many to the following:
  - Postponement of the deadline of payment of PIT advances on remuneration for March and April 2020 to 1 June 2020
  - Extension of the deadline for payment of the minimum commercial property tax for the period March – May 2020 to 20 June
  - Enabling CIT and PIT taxpayers to deduct losses incurred due to COVID-19 in 2020 from operating income generated in 2019
  - Possibility to resign from paying tax advances in a simplified form for so-called small taxpayers
  - Possibility to deduct donations for pandemic relief made in 2020 from taxable income
  - Exemption from income tax on support received as pandemic relief
  - Exemption from the application of the provisions on increasing income being the base for calculating PIT and CIT advances by the debtor in connection with the failure to pay the liability within 90 days from the expiry of the payment
  - Temporary lift of the so-called prolongation fee (charged in the event of deferment or payment in instalments of taxes and ZUS contributions, currently 4% per annum).
- Several other changes relate to the following:
  - Postponing the deadline for mandatory submission of new SAF-T files, including, among others, the VAT return along with the VAT records
  - Extension of the deadline for submitting information on transfer pricing
  - Extending the deadlines for fulfilling the obligations arising from the provisions on Mandatory Disclosure Rules (MDR) in relation to tax arrangements other than cross- border tax schemes.
- For a certain period of 2020, the commune council may pass an exemption from property tax on land, buildings and structures used for conducting business activities for groups of entrepreneurs indicated by the commune whose financial situation has deteriorated in connection with COVID-19.

Poland (3/4)

Anti-Crisis Shield proposals issued by the Office of Competition and Consumer Protection (UOKiK's) on 25 March 2020

— The President of the Office of Competition and Consumer Protection ("UOKiK") is active in combating the economic effects of the COVID-19 pandemic in Poland and proposes solutions that are intended to protect consumer interests and counter abusive practices on the market. The key proposed solutions relate to the following actions:

— Proposed new price control tools imposing price and margin ceilings on certain products important for society and new accompanying sanctions:

  — up to PLN 5 million for violating the prohibition on applying prices or margins above the respective ceiling

  — up to 10% of the annual turnover for repeated or large-scale infringements.

— UOKiK proposed also amendments to the so-called "Crisis Act" – the Act of 2 March 2020 on extraordinary measures aimed at preventing and combating COVID-19:

  — Based on the proposed regulations, the Minister of Health in consultation with the Minister of Development and the Minister of Agriculture and Rural Development will be authorised to issue ordinances imposing maximum prices or maximum margins on wholesale and retail sales of goods and services that are critical for the protection of human health, safety or for household expenses

  — According to the draft, using prices or margins above the ceiling will be punishable by fines in a range from PLN 5,000 to PLN 5,000,000

  — Additionally, the UOKiK is to be authorised to impose penalties of up to 10% of the turnover in the preceding financial year on entrepreneurs who repeatedly infringe price and margin ceilings, do so with respect to various goods or services, or infringe them on a large scale.

  — Penalties for procedural infringements, such as refusing to provide the information requested by the UOKiK President, frustrating or hindering inspections, may amount up to 5% of the annual turnover but no more than PLN 50,000,000.

— UOKiK also proposed a temporary reduction in the maximum level of non-interest costs on consumer loans; the amount of non-interest costs should not exceed 5% on loans with maturity of less than 30 days and 15% plus 6% for each year of the term for loans with maturity of more than 30 days.

— The current draft does not include the working proposal made earlier by UOKiK that consumers should be permitted to suspend the performance of a consumer loan or mortgage loan, which would release consumers from the obligation to make payments under such loans, and no interest or other fees would be charged in respect of the suspension period.

Poland (4/4)

Main sources of information

— Poland: Tax relief in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-poland-tax-relief-response-coronavirus.html

— The Chancellery of the Prime Minister: https://www.premier.gov.pl/wydarzenia/aktualnosci/jadwiga-emilewicz-bedzie-specustawa-dla-gospodarki-w-sprawie-koronawirusa.html

— Government of Poland : https://www.gov.pl/web/finanse/ministerstwo-finansow-z-pomoca-dla-msp

Highlighted in yellow = changes or additions as at 30 March 2020

Portugal (1/2)

Contacts:
Tax: Pedro M Alves – pmalves@kpmg.com
Restructuring: Ines Dourado – idourado@kpmg.com

Following the outbreak of COVID-19 in Portugal, Order no. 104/2020 - XXII was issued to provide tax relief as well as to address other challenges that companies may encounter.

Regarding tax matters, the deadlines for some tax obligations of companies have been postponed, including the following:

— Postponement of the deadline regarding the first instalment of the special payment on account (due in March) to 30 June 2020, without being subject to any penalty

— Postponement of the deadline for filing the corporate income tax return ("Modelo 22") for the 2019 tax period—it has been extended from 31 May 2020 to 31 July 2020, without any penalty

— Postponement of the deadline regarding the first instalment of the payment on account and the first instalment of the additional payment on account by companies (due in July) to 31 August 2020, without any penalty

— Situations of infection or preventative isolation of taxpayers and their accountants, declared by health authorities will be considered reasonable cause for a delay to the fulfilment of tax reporting obligations

Specific health guidance for companies has been issued.

— On 9 March, the government announced it was earmarking EUR 200 million in loans to support SMEs. This was followed on 10 March by the announcement of the launch of a credit line to support treasury to companies affected by the outbreak, in the initial amount of EUR 100 million. The package includes measures to support liquidity but also to support of wages.

— The Government is preparing to pass extraordinary legislation that will simplify the lay-off regime in companies whose activity is affected by the effects of the Covid-19 epidemic, exemption from contributions to Social Security for up to seven months for companies. Furthermore, there is an extension of the deadlines for compliance with some corporate tax obligations.

Portugal (2/2)

On March 17, the government announced a EUR 9.2 billion stimulus package. The package consists of EUR 5.2 billion euros in fiscal stimulus, EUR 3 billion in state-backed credit guarantees and EUR 1 billion related to social security payments, and will include soft loans, and a delay some tax payments to support businesses.195 The announced measures include:

— EUR 200 million credit line to support companies' treasury needs;

— An extension of tax payment deadlines;

— A credit line of EUR 60 million for micro-companies in the tourism sector;

— A special budget to allow people who are out of a job to get training,

— Deferred payments on all contributions by self-employed people.

Main sources of information

— Poland: Tax relief in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-poland-tax-relief-response-coronavirus.html

— Portugal: Update on tax relief measures, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-portugal-update-on-tax-relief-measures-responding-to-coronavirus.html

Europe - Countries from Q to Z

Highlighted in yellow = changes or additions as at 30 March 2020

Romania (1/2)

Contacts:
Tax: René Schob – rschob@Kpmg.Com
Restructuring: Speranta Munteanu – smunteanu@kpmg.com

General information

On 18 March, the government announced a package to support companies. The measures aim to increase the liquidity of the companies and support the companies that temporarily suspend their activity. The measures include:

— Covering 75% of the salary of employees sent into technical unemployment by companies affected by the coronavirus crisis

— Raising the ceiling for credit guarantees for SMEs affected by the coronavirus crisis by LEI 5 billion, which depending on the financing needs of SMEs, can be increased even further to LEI 15 billion. Interest is 100% subsidised. The guarantee will cover 90% of loan amounts of up to LEI 1 million lei and 50% for credits of over LEI 1 million.

— The law applies to all public and private sector employees. However there are a few exceptions.

Tax measures

— In response to the context created by the COVID-19 epidemic, two key tax measures have been adopted by the Romanian Government and enacted through GEO 29/2020:

— All tax obligations which have their due date after 21 March 2020 and which are unpaid do not qualify as overdue, and therefore they are not subject to late payment interest and penalties.

— All tax related foreclosure procedures involving garnishments are suspended by law.

— Both measures cease to produce effect 30 days from the end of the state of emergency situation, declared by the Romanian state as of 16 March 2020.

— The same ordinance provides for deferral of the payment deadline of local taxes such as taxes for buildings, land, and vehicles from 31 March 2020 to 30 June 2020, while the reduction of up to 10% for full payment granted by local councils is still applicable.

Romania (2/2)

Other tax measures

— For all quarters of 2020, taxpayers who make, either by law or by option, advanced quarterly payments of corporate income tax by reference to the corporate income tax level of the previous year (2019) are allowed, by exception, to calculate, declare and pay quarterly corporate income tax at the level of the actual profit of 2020. This measure is also applicable to taxpayers with a fiscal year different from the calendar year, in 2020.

— Tax restructuring and relief measures for overdue tax obligation as at 31 December 2018 which were enacted by GO 6/2019 remain applicable if the taxpayers who want to access the measures submit notifications of intent by 31 July 2020 (the deadline before deferral was 31 March 2020) and then submit the application for restructuring measures by 30 October 2020 (the deadline before deferral was 31 July 2020).

— The deadline for filing the UBO statement has been extended to 3 months from the end of the state of emergency, as declared by Decree 195/2020.

— Throughout the duration of the state of emergency, the filing of the statement and of related documentation has been suspended.

Social protection measures

— The criteria for sending employees into technical unemployment and minimum income ensured for freelancers working in industries where activity is reduced or interrupted due to the pandemic.

— The conditions for granting free paid days to parents, in order to supervise their children during the temporary closure of educational establishments.

— The online submission of the documentation needed in order to gain access to social benefits.

— The measures for ensuring continuity in the granting of return to work incentives and child care allowance, as well as for facilitating access to medical leave and medical leave indemnities for quarantined persons.

Main source of information

— Romania: Tax relief, responding to coronavirus (COVID-19): https://home.kpmg/ro/en/home/insights/2020/03/geo-29-2020-tax-relief-measures.html

Highlighted in yellow = changes or additions as at 30 March 2020

Russia (1/3)

Contacts:
Tax: Anna Voronkova – avoronkova@kpmg.ru
Restructuring: Andrei Mitrofanov – amitrofanov@kpmg.ru

Monetary policy

— The Bank of Russia has announced an online press conference following its policy meeting on March 20th to explain its decision. Most analysts expect it to keep its policy rate unchanged, at 6%.

— The bank has also announced that it is monitoring the situation in financial markets closely. On March 10th and March 13th, it engaged in repo auctions of 500 billion rubbles to ensure sufficient liquidity in the banking sector. It has also engaged in selling foreign currency in the domestic market and foregone scheduled domestic forex purchases. Finally, the central bank has eased some banking regulations, such as loan risk weightings, to ensure that banks maintain lending to producers of pharmaceuticals and medical equipment.

Fiscal policy

— A crisis fund of $4.05 billion has been established to support the economy and compensate quarantined citizens for lost income.

Labour policy

— On March 23, authorities are preparing measures to prevent employers from firing workers who cannot come to work due to quarantine. Moscow city authorities order telecoms to continue providing service for quarantined users with zero balances, and require utilities to cancel late payment fees.

— The government urging employers to allow employees to work from home.

Trade restrictions

— On March 23, authorities are studying measures that may prevent the export of essential medicines and other goods.

— Simplification of certain customs procedures and other regulations seen as impeding the flow of essential imports.

Incentives to companies to continue operating

— Tax holidays to support aviation and tourism industries.

— Low-cost loans to retail sector and small- and medium enterprises.

Russia (2/3)

17 March 2020 the government published list of priority actions, which included such measures as:

System-wide measures

— Creation of a financial reserve in amount up to RUB 300 billion

— Non-application of penalties for certain government contracts in case of violation of obligations by the contractor due to the consequences of the spread of new coronavirus disease

Supply of essential goods and support to the population

— Establishment of term of payment of sick leaves to quarantined persons, provision of a possibility of distant issue of sick leaves

— Development of the mechanism to support the sufficient stock level of socially important products in shops, including subsidizing interest rates on loans raised to create excess stock

— Setting of zero rate of import customs duties for the goods determined by the Government of the Russian Federation, including medicines and medical devices, establishment of a 'green channel' for imports of essential goods and food

— Temporary removal of restrictions on traffic within the city line and loading and unloading for transport facilities that deliver food and non-food essential goods

Support to the industries at risk

— Support of touristic companies, developers and other influenced industries: partial relief from mandatory payments, tax vacations etc

— Introduction of a moratorium on inspections of SMEs, including tax, except for the issues that pose risks to life and health of citizens

— Introduction of a three-month delay for the payment of insurance contributions, including employees, for micro-enterprises

— Expansion of the program for subsidising access of SMEs to loan funds within the easy-term loan program

— Temporary deferral (or a moratorium) on rental payments by SME lessees of state or municipal property

Highlighted in yellow = changes or additions as at 30 March 2020

Russia (3/3)

25 March 2020 President Vladimir Putin addressed the nation and announced following support measures:

Support to business

— Small and midsized businesses will receive a six-month tax deferral for all taxes excluding VAT and social insurance payments

— The government should develop the list of industries mostly hit by crisis and propose the anti-crisis measures

— Six months ban for bankruptcy claims against the debtors from creditors or financial lenders

— Decrease of the social insurance rate from 30% to 15% for salaries exceeding the minimum statutory wage

New taxation

— 13% income tax on interest accrued on deposits exceeding 1 mln rubles ($12,700)

— Increase to 15% taxation rate for dividends paid out from Russia

— Funds received by state budget in the results of these measures should be spent on support of families, unemployed and sick people

Main sources of information

— Russian Government: http://government.ru/en/

Highlighted in yellow = changes or additions as at 30 March 2020

Serbia (1/2)

Contacts:
Restructuring: Boris Milosevic – bmilosevic@kpmg.com

1. Tax Measures to Mitigate the Economic Consequences of COVID-19

The Government of Serbia issued a Decree on Tax Measures to Mitigate the Economic Consequences of COVID-19 Disease during the State of Emergency (Decree). The Decree enters into force immediately, i.e. on 20 March 2020. The measures aim to increase taxpayers' liquidity.

Reduction of the default interest rate

— The Decree provides for a 10 percentage points reduction in the default interest rate for underpaid or overpaid tax, so that it now becomes equal to the National Bank of Serbia ('NBS') annual reference rate. Given the current annual reference rate of the NBS, the default interest rate has been reduced from 11.75% to 1.75% per annum since 20 March 2020.

Taxpayer - specific relief

— For taxpayers who have been granted a deferred payment of the tax debt within the meaning of Articles 73-74b of the Law on Tax Procedure and Tax Administration, during the state of emergency, starting from the instalment due in March 2020, the Tax Authorities will not annul the agreement with the Tax Authorities, i.e. cancel the decision on the delay of payment of the tax debt, or initiate the forced collection procedure. During this period, no default interest will be charged on the tax debt.

2. Fiscal Measures to support the economy

— Government has announced it will allocate additional RSD 2.5bn of funds for new public capital investments.

— Government and the Chamber of Commerce are working **on a comprehensive set of measure to support the private sector** and alleviate the effects cause by the business slowdown, especially in the worst hit sectors (tourism and hotel industry, logistics, transportation and others). The set of measures is expected to be announced in April.

Serbia (2/2)

3. Measure by the National Bank of Serbia

— At the extraordinary meeting on the 12th of March, the National Bank of Serbia ('NBS') **lowered the key reference rate by 50 bp to 1.75%**, in response to heightened uncertainty in the international environment triggered by the spread of Covid-19, which is in line with the activities taken by other central banks worldwide.

— On the 18th of March, the NBS adopted decision imposing **a moratorium on debt payments**. The moratorium is envisaged for all debtors who wish to apply it (natural persons, farmers and entrepreneurs, corporates) and implies a suspension of debt payments for at least 90 days, i.e. for the duration of the emergency state declared due to the pandemic. For the duration of the emergency state, banks and lessors will not charge any default interest on past due outstanding receivables and will not initiate enforcement or enforced collection procedures, or take other legal actions to collect receivables from their clients.

Main source of information

— Serbia: Tax relief, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-serbia-tax-relief-responding-to-coronavirus.html

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Slovakia (1/2)

Contacts:
Tax: Tomas Ciran – tciran@kpmg.sk
Restructuring: Kenneth Ryan – kennethryan@kpmg.sk

The Slovak Government the Government approved the Draft Regulation of the Slovak Government on the cancelation of the tax underpayment corresponding to the unpaid penalty related to the paid income tax ("Regulation").

Immediately feasible measures

— Granting of short-term interest-free loans for companies (mainly SMEs) via EXIMBANKA (Export-Import Bank) and the Slovak Guarantee and Development Bank (SZRB) to overcome the period of state of emergency.

— Postponement the deadline for filing the income tax returns for individuals and legal entities until 30 June 2020.

— Postponement for duty to pay taxes for every tax payer until 30 June 2020.

— Postponement for duty to submit VAT returns and the deadline to pay VAT on the basis of tax subject's notice.

— Extension of deadline for tax inspections and local investigation – mainly in actions requiring personal contact, witness hearings, verbal notice to appear and proceedings and inspection of records. Ensuring of controlled deadlines of financial obligations the government has towards companies.

— Remit of interest on late tax income prepayments if the arrears appear during the current period and will be paid until the end of this year.

— Postponement of obligatory social and health payments in the period from March 2020 until June 2020 for legal entities and self-employed persons.

— Absolute exemption from social and health payments for employees, income taxes for those employers, who are unable to assign work to their employees for the reason of adhering to orders putting down the operation as a result of preventive quarantine measures.

— Extension of deadline for customs debt payment (from 10) to 30 – 45 days.

— Automatic extension of validity of MOT and emission tests for vehicles having expired validity from 13 March (including) until 12 June.

— Financing of costs of supported technologies producing electricity during the period March– December (which would lead to the lower price of tariff for the operation of the system)

— Negotiations with bank and finance sectors on possible postponement of loan instalments, mortgages and leasing without negative records in register for the debtor. Negotiations on possible bank product that would help companies to overcome the adverse financial situation – for that purpose, banks would be proportionally exempted the bank levy payments. Negotiations on the possibility that insurance companies would not have to pay the levies.

Slovakia (2/2)

Immediately feasible measures (continued)

— Negotiations with energy suppliers for the purpose of exemption from companies to pay penalties for not complying with arranged diagram of electric energy consumption.

— Exemption for companies from paying penalties if they are unable to carry out public contracts.

— Restriction of new and planned controlling actions of companies and businesses until June.

— Negotiations on the EU level on enabling of use of euro funds for the purpose of covering of the effects of COVID-19 and financial rehabilitation.

Measures requiring legislative adjustments

— Change in conditions of the 'care for a family member'. If the child has two parents, one of them stays at home and would receive 80% of the average salary (this would be paid by the Social Insurance Agency). If the child has only one parent, the government would provide a financial voucher for the purpose of home care services.

— Introduction of a new status – the so called 'quarantine incapacity to work' eligible for sickness benefits (The Social Insurance Agency would pay the costs from the day 1).

— Simplification of conditions for payment of a contribution for job retention to help SMEs and self-employed.

— Adjustment of regulation on production of alcohol for the purpose of disinfectant production.

Measures supporting repeated economic growth

— Adjustment of possible tax loss depreciation not to be limited in any way or to be limited by a certain period.

— Support for investing in the private sector via sped up tax depreciation and using the tools provided by Slovak Investment Holding, European Investment Bank or Slovak Business Agency.

Main source of information

— Tax relief other measures responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-slovakia-tax-relief-measures-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Slovenia (1/1)

Contacts:
Tax: Marko Mehle – marko.mehle@kpmg.si

General information

On 10 March, the government presented eight crisis measures of EUR 1 billion to ensure the liquidity of companies, aid in the preservation of jobs, minimize the damage already incurred and guarantee that the situation of companies on the market does not further deteriorate.

The measures include immediate intervention measures as well as strategic measures for the restructuring of supply chains, and include:

— An intervention law for co-financing temporary lay-offs

— Lines of credit at the SID Bank, the Slovenian Enterprise Fund and the Slovenian Regional Development Fund

— Aid in the field of internationalization

— Aid to companies in difficulty, telework and quarantine cases

— A proposal for tax deferral

— Measures in the field of tourism promotion.

— Furthermore, media report on measures regarding self-employed.

Main source of information

— Government of Slovenia: 1 Billion to mitigate the consequences of Coronavirus: https://www.gov.si/en/news/slovenia-allocates-eur-1-billion-to-mitigate-consequences-of-coronavirus-on-the-economy/

Highlighted in yellow = changes or additions as at 30 March 2020

Spain (1/8)

Contacts:
Tax: Carlos Marin Pizarro – carlosmarin@kpmg.es
Restructuring: Angel Martin Torres – amartin@kpmg.es

1. General package

— Three pieces of legislation—Royal Decree-Law 6/2020, Royal Decree-Law 7/2020, and Royal Decree 463/2020—provide initial measures to address the coronavirus (COVID) crisis. The legislation includes measures that address health and the economy at large, with a particular emphasis on the tourism industry, small and medium size enterprises (SMEs), and the self- employed, as well as persons affected by the containment measures.

— Given the gravity of the situation, it is expected that these are but the first of many laws, decrees and ministerial orders (presumably some would be announced at the next cabinet meeting). These measures are at the national level, and they could be supplemented by measures at regional and local levels

2. More flexible mechanisms for temporary adjustments of activity

Exceptional measures in relation to the procedures for the suspension of contracts and reduction of working hours by reason of force majeure (Art. 24)

— The procedure shall be initiated by the company, accompanied by a report on the loss of activity as a result of COVID-19.

— Force majeure must be deemed to exist by the labour authority, irrespective of the number of workers affected.

— On receipt of the report from the labour and social security inspection service, the labour authority must, where appropriate, hand down a decision within five days of the request.

— The labour and social security inspection's report will be drawn up within a non-extendable period of five days.

Exceptional measures in relation to the procedures for the suspension and reduction of working hours for economic, technical, organisational and production-related reasons linked to COVID-19. (Art. 24)

— Where there are no workers' statutory representatives, the representative committee will be made up of the labour unions with the highest membership in the sector. If it cannot be assembled with those representatives, the committee will be made up of three workers.

— Consultation period between the company and the workers: up to 7 days

— The labour and social security inspection report: up to 7 days

Spain (2/8)

Exceptional measures in relation to the procedures for the suspension of contracts and reduction of working hours by reason of force majeure (Art. 24)

— In procedures involving the suspension of contracts and reduction of working hours by reason of temporary force majeure related to COVID-19,

— the Social Security authority will exempt the company from the payment of the employer's contribution and the contributions for joint collection items while the authorised suspension of contracts and reduction of working hours persists

— With 50 or more workers registered with the social security, the exemption from the obligation to pay contributions will cover 75% of the employer's contribution.

— This exemption shall have no effects for the worker, as the aforementioned period shall be deemed to be a contribution period to all intents and purposes

Extraordinary measures regarding unemployment benefits for application of the procedures referred to in Articles 22 and 23. (Art. 25)

— The right to the contributory unemployment benefit shall be recognised even if workers have not met the minimum contribution period required.

— The time during which the contributory unemployment benefit is received for the aforementioned extraordinary reasons shall not be included for the purposes of determining completion of the established maximum periods for receiving benefits.

Temporary limitation of the effects of late filing of applications for unemployment benefits (Art. 26)

— These effects shall not apply during the period of enforcement of the extraordinary measures adopted regarding public health.

Extraordinary measures related to the extension of unemployment benefits and the period for filing annual income tax returns (Art. 27).

— The managing entity shall be authorised to extend ex officio the right to receive unemployment benefits in the case of workers who are eligible for a six-month extension (irrespective of whether they have applied for it).

— In the case of unemployment benefit recipients over 52 years of age, payment of benefits and social security contributions shall not be interrupted even in the event of late filing of the requisite annual income tax return

Duration of the measures provided for in Chapter II (Art. 28).

— The measures provided for in Articles 22, 23, 24 and 25 of this Royal Decree-law shall remain in force for as long as the extraordinary situation caused by COVID-19 shall persist.

Spain (3/8)

3. Guarantee of liquidity to sustain economic activity

Approval of a credit line whereby the State shall cover the financing extended by financial institutions to companies and self-employed persons. (Art. 29)

— Approval of a credit line whereby the State shall cover the financing extended by financial institutions to companies and self-employed persons. The Ministry of Foreign Affairs and Digital Transformation will grant up to Euros 100,000 million in guarantees for funding provided by credit institutions.

— The conditions that apply and the requirements that must be met, including the maximum period for applying for the guarantee, shall be established by the Council of Ministers without the need to enact any subsequent implementing regulations.

— The guarantees granted under this regulation and the terms and conditions agreed by the Council of Ministers shall comply with European Union regulations on state aid.

Raising of the net indebtedness limit of the Spanish official credit institute (ICO) to increase the ICO credit facilities for the financing of companies and the self-employed. (Art. 30)

— The net indebtedness limit of the Spanish official credit institute (ICO) provided in the General State Budget Law will be raised by Euros 10,000 million to provide companies, particularly SMEs and self-employed workers, with additional liquidity. This will take the form of short-, medium- and long-term ICO financing facilities provided through financial institutions, and of direct funding for larger companies, in accordance with ICO's policy regarding financing.

— The decision-making bodies of the ICO will adopt the necessary measures to make more funds available and provide greater flexibility of funding, as well as to improve company access to credit while preserving the necessary financial equilibrium stipulated in its articles of association.

Spain (4/8)

Extraordinary insurance cover facility. (Art. 31)

— **Beneficiaries:** Spanish small and medium enterprises (SMEs) and other larger unlisted companies in the following circumstances:

- Companies engaged in international trade or that are in the process of internationalisation, and that meet at least one of the following requirements:
  - companies whose international operations, as reflected in the latest available financial information, account for at least one-third (33%) of their turnover, or
  - companies with regular export activities (those that have carried out regular exports over the past four years in accordance with the criteria established by the Secretariat of State for Trade).
- companies that are experiencing liquidity problems or lack of access to funding as a result of the impact of the crisis caused by COVID-19 on their economic activity.

— **Excluded:** companies in technical insolvency or in pre-insolvency proceedings, and companies in default of payments to public sector companies or that have outstanding debts with the administration.

— **Formalisation:** two tranches of Euros 1,000 million each, the second of which will go into effect on verification that the first tranche has been issued in a satisfactory manner.

Suspension of tax time periods. (Art. 33)

— Among others, the time periods for payment of tax debts, the expiry dates for time periods and split payments under deferred and split payment agreements that have already been granted.

— In addition, foreclosures of real estate collateral will be suspended from the entry into force of this Royal Decree-law until 30 April 2020.

— The period from the entry into force of this Royal Decree-law until 30 April 2020 will not counted towards the maximum time limit for tax-application procedures, tax penalties and reviews carried out by the State Tax Agency. However, during that period the tax authorities may implement, order and perform essential procedures.

Spain (5/8)

Financial measures aimed at owners of agricultural holdings that arranged loans due to the drought in 2017 (Art. 35)

— Owners of agricultural holdings who, affected by the drought in 2017, contracted credit facilities, will be allowed to voluntarily enter into agreements with financial institutions to extend the repayment periods of their loans by up to one year, which shall be considered a grace period.

— The Ministry of Agriculture, Fisheries and Food will finance the additional cost of the guarantees granted by the Sociedad Anónima Estatal de Caución Agraria (SAECA) as a result of extending the aforementioned repayment periods.

Measures in the area of public contracting to alleviate the consequences of COVID-19. (Art. 34)

— Public contracts for ongoing utilities and services which can no longer be performed or are impossible to continue, as a result of COVID-19 or the measures adopted by the State, the autonomous regions or local authorities to combat the virus, will be automatically suspended from the moment their provision becomes impossible and until such time as they can be performed again.

Measures in the area of public contracting to alleviate the consequences of COVID-19. (Art. 34) (continued)

— When fulfilment of a public contract is suspended, the grantor must indemnify the contractor for the damage and loss effectively suffered during the suspension period, subject to an application and confirmation thereof. The compensation for damage and loss that may be paid to a contractor shall only include the following:

- The salary costs of personnel that are assigned on 14 March 2020 to the normal performance of the contract, during the suspension period.
- Costs of maintaining definitive guarantees, related to the contract suspension period.
- Rental or maintenance costs of machinery directly allocated to the performance of the contract, provided that the contractor can provide evidence that these could not be used for any other purposes.
- Expenses of insurance policies stipulated in the specifications and related to the purpose of the contracts entered into by the contractor and that were in force at the time the contract was suspended.

Spain (6/8)

4. Additional measures to enable an adequate response

Period for petitioning for insolvency proceedings. (Art. 43)

— Insolvent debtors will be under no obligation to apply to the courts for an insolvency order while the state of emergency is in force.

— Until two months from the end of the state of emergency, judges will not grant leave to proceed with any petitions for necessary insolvency filed while the state of emergency was in force or any filed during these two months.

— Any voluntary petition for an insolvency order that has been filed will be admitted for consideration, on a priority basis, even if it has a later date.

— Debtors will likewise not have to file for insolvency while the state of emergency is in force if they have given notice to the competent court for insolvency proceedings that negotiations have been started with creditors to reach a refinancing agreement or an out-of-court settlement or to gain acceptance of an advanced proposal of a creditors' agreement, even though the time period referred to in article 5.5bis of Insolvency Law 22/2003, of 9 July 2003, has expired.

5. Other measures– Royal Decree-7 2020

Measures to support the tourism industry

Increase in the Thomas Cook financing line to assist companies incorporated in Spain within certain economic sectors (art. 12).

— The budget item of the Ministry of Industry, Commerce and Tourism guaranteeing 50% of the debt drawn down from the ICO credit line will be raised from the initial Euros 100 million to Euros 200 million so as to cover the increased financing line up to Euros 400 million, adjusting the corresponding budgeted amounts in each year to these new limits.

Measures to support the continuation of the employment of workers with permanent seasonal contracts in the tourism industry and tourism-related retail and hotel and restaurant sectors (art. 13).

— Companies (excluding those in the public sector) in the tourism industry, as well as those in the tourism-related retail and hotel and restaurant sectors, which generate productive activity between February and June and which hire or retain workers under permanent seasonal contracts during such months will be able to apply a 50% reduction of employers' social security contributions for non-occupational contingencies, and for the joint refunding of unemployment benefits, the wage guarantee fund (FOGASA) and vocational training in respect of such workers.

Spain (7/8)

Transitional financial support measures

Deferral of tax debts (art. 14).

— The deferral of payment of tax debts shall be granted for all tax returns and self-assessments with a filing and payment deadline falling between the date of entry into force of this Royal Decree-law and 30 May 2020.

— Eligibility: companies whose turnover in 2019 was less than €6,010,121.04

— Conditions of deferral: 6 months, with no interest accruing for the first three months.

Request for extraordinary deferral of repayment schedule for loans granted by the General Secretariat for Industry and Small and Medium Enterprises (art. 15)

— Companies (excluding those in the public sector) in the tourism industry, as well as those in the tourism-related retail and hotel and restaurant sectors, which generate productive activity between February and June and which hire or retain workers under permanent seasonal contracts during such months will be able to apply a 50% reduction of employers' social security contributions for non-occupational contingencies, and for the joint refunding of unemployment benefits, the wage guarantee fund (FOGASA) and vocational training in respect of such workers.

6. The government has launched the first package of the 100.000€ measure

First package of 20 billion euros expandable as consumed

— **Destination:** to maintain liquidity in companies and face immediate expenses due to COVID-19. 50% of the package offered € 10,000 million must be used for companies with less than 250 workers and for freelance employees.

— **Warranty:**

  — Up to 80% of the loans that SMEs apply to banks.

  — Up to 70% in large companies.

  — Up to 60% in loan renewals that are due in the coming months.

Spain (8/8)

First package of 20,000 million euros expandable as consumed (Continued)

Pre-crisis loans cannot be cancelled by banks.

he maximum maturity of the loan guarantee is 5 years, so the loans will not exceed that maturity.

— **Application deadline:** September 30, 2020.

— **Interest rate:** The banks will establish the interest rates of the loans. The cost of the guarantee: "it will be assumed by the entities" and will be between 20 and 120 basis points.

— **Eligibility:** all companies and freelancers who were neither in default as of December 31, 2019 nor in bankruptcy procedure on March 17, 2020 may apply for credits with these guarantees.

— **Management:** this line will be managed by the Instituto Oficial de Crédito (ICO), in collaboration with financial entities.

— **Request:** through the financial entities with which the ICO has signed the corresponding collaboration agreements.

Retroactive effects on loans signed since March 18 apply.

ICO is preparing the collaboration agreement with the financial entities.

Main sources of information

— Spain: Tax relief measures responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-spain-tax-relief-coronavirus.html

— Royal Decree-law 8/2020 of 17 March 2020: https://www.boe.es/buscar/act.php?id=BOE-A-2020-3824

Highlighted in yellow = changes or additions as at 30 March 2020

Sweden (1/3)

Contacts:
Tax: Jorgen Graner – jorgen.graner@kpmg.se
Restructuring: Bjorn Dahl – bjorn.dahl@kpmg.se

On 16 March 2020, the Swedish Government submitted a referral for a changed budget due to the Corona crisis. The parliament is expected to approve the proposal on the 19 March 2020.

Strengthen companies' liquidity through deferral of tax payments

— The Swedish Government's proposal means that companies may receive a deferral of payment of employer's social security contributions, preliminary taxes on salary and VAT that is reported on a monthly or quarterly basis.

— Companies' extension of payment includes tax payments for three months and can be granted up to 12 months.

— It is proposed that the new rules will come into force from 7 April 2020. They may however be applied retroactively from 1 January 2020. This means that companies that have made tax payments for January to March may have this tax refunded from the Swedish Tax Agency. Interest of currently 1.25% p.a. and a fee of 0.3% per month is levied on the amount during the extension period. Extension of payment will only be granted companies that do not mismanage their financials. Moreover, extension cannot be granted for companies with substantial tax debts. Companies must apply for extension with the Tax Agency.

— The Riksbank indicated on 10 March it stands ready to take measures to improve liquidity in case the economic effects of the coronavirus. On 13 March, it announced it was lending up to SEK 500 billion (about EUR 46 billion) to companies via the banks, to avoid robust companies being put under financial stress as a result of the spread of the coronavirus. The Riksbank is prepared to take further measures and to supply necessary liquidity

Temporary lay-offs

— The temporary lay-offs are aimed to save employments in Sweden. The employees will, during the temporary lay-offs, reduce their work hours but still receive more than 90 percent of the salary, with a cap up to SEK 44,000 per month. The Government will take on 75 per cent of the cost for the employee´s reduced work hours. The suggested measure will come into force on the 7 April and will be applied from the 16 March 2020 to the 31 December 2020. The proposal means that the employer's salary costs can be reduced by half while the employee receives more than 90 percent of the salary

— The Swedish Agency for Economic and Regional Growth (Tillväxtverket) will be the government body responsible to process and decide on temporary lay-offs. To receive the support an application must be submitted to the Agency. If rejected by the Agency, it will be possible to appeal the decision to the Administrative Court.

Sweden (2/3)

Tax incentive/ Tax measures (Proposed)

Postponement with payment of:

— Preliminary tax payment on salaries,

— VAT

— Employers' contribution for 3 months payments during Jan – Sep 2020. Postponement as longest for 12 months.

Adjusted rules for splitting of costs between the state and the employer when an employee reduces work time and salary.

The Swedish state will assume the responsibility for payment of sick pay (Sw. sjuklön) during April and May.

Tax incentive/ Tax measures (Enacted)

— Adjustment of monthly payments of preliminary tax

— Companies can defer payment of employers' social security contributions, preliminary tax on salaries and value added tax that are reported monthly or quarterly. The payment respite covers tax payments for three months and is to be granted for up to 12 months. It is proposed that the new regulations will take effect on 7 April 2020, but can be retroactively applied from 1 January 2020. This means that companies that have paid into their tax account for January to March can receive repayment of the tax from the Swedish Tax Agency.

— The proposal on short-term layoffs is based on a previous proposal on a new system of support in the event of short-time work, but the degree of subsidy has been significantly increased. Central government will cover three quarters of the costs when staff working hours are reduced, compared with short-time work where central government covers one third of the costs. This proposal means that employers' wage costs can be halved, while employees receive more than 90 per cent of their wage. The aim is for affected companies to be able to retain their staff and rapidly gear up again when the situation improves.

Sweden (3/3)

USD loans:

The Riksbank will enable loans in US dollars against collateral, in order to ensure a continued good supply of one of the most important currencies for Swedish companies. A good supply of both Swedish kronor (SEK) and US dollars (USD) is important to mitigate the consequences for output and employment in the wake of the corona pandemic

Requirements:

— The Riksbank will offer loans in US dollars against collateral. The framework amount is USD 60 billion for the period 19 March 2020 up to and including 18 September 2020.

— Riksbank monetary policy counterparties that, no later than on the banking day before the auction have registered to participate

Amended regulations for collateral:

— The Riksbank has decided to remove limit rules for covered bonds. This is to enable counterparties to use significantly more covered bonds for credit at the Riksbank and help improve functionality on the market for covered bonds.

Main sources of information

— Sweden: Economic measures to alleviate economic effects for companies due to COVID-19: https://home.kpmg/se/sv/home/nyheter-rapporter/2020/03/tax-proposal-in-sweden-in-response-to-covid-19.html

— Government offices of Sweden: https://www.government.se/articles/2020/03/economic-measures-in-response-to-covid-19/

— Riskbank of Sweden: https://www.riksbank.se/en-gb/press-and-published/notices-and-press-releases/press-releases/2020/riksbank-lends-up-to-sek-500-billion-to--safeguard-credit-supply/

Highlighted in yellow = changes or additions as at 30 March 2020

Switzerland (1/6)

Contacts:
Tax: Peter Uebelhart – puebelhart@kpmg.com
Restructuring: Peter Dauwalder – pdauwalder@kpmg.com

On 20 March 2020, the Federal Council approved a package of measures worth CHF 32 billion to mitigate the economic impact of the spread of the coronavirus. Taking into account the measures decided on 13 March, more than CHF 40 billion will be available. The ball is now in Parliament's court: the Finance Delegation will decide on this at the beginning of next week. The aim of these measures, which are aimed at different target groups, is to safeguard jobs, guarantee wages and support the self-employed. Measures have also been taken in the field of culture and sport to prevent bankruptcies and to cushion the financial consequences.

These new measures aim to avoid as far as possible cases of hardship and to provide, where necessary, targeted and rapid support to the persons and branches concerned by means of procedures that are as simple as possible from an administrative point of view.

Overview of measures:

Aid to undertakings in the form of liquidity (Proposed)

Affected by company closures and falling demand, many companies have less and less cash to cover their running costs, despite compensation for reduced working hours. A package of additional measures has therefore been adopted to prevent otherwise solvent companies from finding themselves in difficulty.

— Immediate assistance in the form of specific transitional credits: the Confederation will set up a guarantee programme with a volume of CHF 20 billion to ensure that affected SMEs (sole proprietorships, partnerships and legal entities) obtain transitional bank credits. This programme will be based on the existing structures of the guarantee organisations. The aim is that the companies concerned will be able to access credits of up to 10% of their turnover or up to CHF 20 million quickly and simply. Amounts up to CHF 0.5 million will be paid out immediately by the banks and will be fully covered by the federal guarantee. For amounts exceeding this ceiling, the guarantee will be reduced to 85%, which will then be subject to a brief review by the banks. Amounts up to CHF 0.5 million should cover the needs of more than 90% of the companies affected by the consequences of the coronavirus epidemic. The Federal Council, which estimates the volume of credits guaranteed by the Confederation at CHF 20 billion, will ask the Federal Chambers for an urgent commitment credit. This will be submitted to the Finance Delegation of the Federal Assembly for approval in the next few days. The broad outlines of the project will be the subject of an ordinance of necessity which will be adopted and published in the middle of next week. Only then will it be possible to answer questions from the affected companies on how to submit applications.

Switzerland (2/6)

Aid to undertakings in the form of liquidity (continued)

— Deferral of social insurance contributions: Companies affected by the crisis will be able to defer the payment of social insurance contributions temporarily and without interest. They will also be able to adjust the usual amount of advance payments made under these insurances in the event of a significant drop in the wage bill. These measures also apply to self-employed persons whose turnover has fallen. The AHV compensation funds are responsible for examining the deferral of payments and the reduction of advance payments.

— Liquidity reserve in the tax area and for suppliers to the Confederation: companies will be able to postpone payment deadlines without interest on arrears. The interest rate will be reduced to 0.0% for VAT, certain customs duties, special consumption taxes and incentive taxes between 21 March and 31 December 2020; and no default interest will be charged during this period. An identical regulation applies for direct federal tax from March 1 to December 31, 2020. Finally, the Federal Finance Administration has instructed the administrative units to check and settle creditors' invoices as quickly as possible, without waiting for payment deadlines to expire, in order to increase the liquidity of the Confederation's suppliers.

— Suspension of debt collection and bankruptcy proceedings under the Federal Debt Enforcement and Bankruptcy Act (DEBA): From 19 March to 4 April 2020 inclusive, debtors cannot be prosecuted throughout Switzerland. The Federal Council decided on the suspension of debt collection and bankruptcy proceedings at its meeting on 18 March 2020.

Extension of short-time working and simplification of procedures (Proposed)

The instrument of reduced working hours (short-time working) makes it possible to compensate for a temporary drop in activity and to preserve jobs. Today's exceptional economic situation is also hitting hard at people who work for a limited period of time or on a temporary basis, at people in a position similar to that of an employer and at people who are doing an apprenticeship. For this reason, the entitlement to compensation for reduced working hours will be extended, and it will be easier to apply for it.

— Short-time working may now also be granted to employees with a limited period of employment and to persons in the service of a temporary work organisation.

— The loss of work will also be counted for persons who are in an apprenticeship.

Switzerland (3/6)

Extension of short-time working and simplification of procedures (continued)

— Short-time work may be granted to persons who occupy a position comparable to that of an employer. This includes, for example, partners in a limited liability company (GmbH) who work for remuneration in the company. Persons who work in the company of their spouse or registered partner can also benefit from short-time working and claim a lump-sum compensation of CHF 3,320 for a full-time position.

— The waiting period (waiting period) for entitlement to short-time working, which had already been shortened, is abolished. This means that the employer will not have to assume any loss of work.

— Employees will no longer have to work overtime before they can benefit from short-time working.

— Provisions have been introduced to simplify the processing of claims and the payment of benefits in the event of short-time working as quickly as possible. For example, it will be possible to pay outstanding wages by means of an advance payment of short-time working benefits.

Compensation for loss of earnings for self-employed persons (Proposed)

— Self-employed persons who suffer a loss of earnings due to government measures to combat the coronavirus will be compensated if they are not already receiving compensation or insurance benefits. Compensation is provided in the following cases:

— closure of schools;

— quarantine ordered by a doctor;

— closure of an independently managed school open to the public.

— The regulations also apply to independent artists who have suffered a loss of earnings because their engagement has been cancelled due to coronavirus control measures or because they have had to cancel an independently organised event.

— Compensation is paid on the basis of the earnings loss allowance scheme and is paid in the form of per diems. These correspond to 80% of the salary and are capped at CHF 196 per day. The number of daily allowances for self-employed persons who are in quarantine or who assume managerial duties is limited to 10 and 30 days respectively. Claims will be examined and the benefit paid out by the Old Age and Survivors Insurance (AVS) compensation funds.

Switzerland (4/6)

Earnings Loss Allowances for Employees (Proposed)

— Parents who have to interrupt their professional activity to take care of their children are entitled to compensation. The same applies in the case of interruption of work due to a quarantine ordered by a doctor. As for self-employed persons, compensation will be paid on the basis of the system of loss of earnings allowances (loss of earnings allowances for service and maternity) and paid in the form of daily allowances. These correspond to 80% of salary and are capped at CHF 196 per day. The number of daily allowances is limited to 10 for persons in quarantine.

— Culture: 280 million francs released for immediate assistance and cancellation compensation.

— The Federal Council wants to prevent lasting damage to Switzerland's cultural landscape and to maintain the country's cultural diversity. Immediate aid and compensation should help to alleviate the economic consequences of the ban on events for the cultural world (performing arts, design, film, visual arts, literature, music and museums). An initial tranche of CHF 280 million will be made available for two months. During these two months, the Confederation will discuss developments with the cantons and cultural organisations. The following measures are planned:

  – Firstly, the Confederation provides financial means to provide immediate assistance to cultural enterprises and artists: non-profit cultural enterprises (e.g. foundations) facing liquidity problems will be able to obtain interest-free repayable loans. Artists, for their part, may apply for non-repayable emergency aid for their immediate vital needs, provided that these are not covered by the new allowances paid on the basis of the allowance for loss of earnings scheme. The cantons (in the case of cultural enterprises) and the association Suisseculture Sociale (in the case of artists) are responsible for implementing this measure.

  – Secondly, cultural enterprises and artists may claim compensation from the cantons for financial loss caused in particular by the cancellation or postponement of events or the closure of establishments. This compensation will cover a maximum of 80% of the damage; the Confederation will pay half of the compensation granted by the cantons.

  – Thirdly, amateur music and theatre companies may be financially supported in covering the costs of cancelling or postponing events.

Switzerland (5/6)

100 million francs for sports organisations (Proposed)

— Due to the cancellation of amateur or professional sports competitions and championships, the survival of sports clubs and associations as well as organisers of sporting events is at stake. In order to prevent the structures of the Swiss sports world from being undermined, the Federal Council is making the following financial assistance available:

— CHF 50 million in repayable loans to enable organisations that are active in a Swiss league and focus primarily on professional sport or that organise professional sports competitions to overcome liquidity shortages ;

— CHF 50 million in subsidies for voluntary organisations promoting mainly grassroots sport that are threatened in their existence.

— This support will be linked to the obligation for leagues and federations to take measures to ensure their liquidity levels in the event of a crisis. This obligation will be enshrined in the performance agreement that the Confederation concludes annually with Swiss Olympic.

— In addition, today's ordinance, which is valid for a maximum of six months, allows for the flexible handling of interruptions to training and further training within the framework of the Youth & Sport and Adult Sport programmes. These provisions also apply to the training courses provided by the Swiss Federal Institute of Sport in Magglingen.

Tourism and regional policy (Proposed)

— Emergency measures have already been implemented as early as February 2020 under the tourism promotion instruments. These were mainly information and advisory activities as well as measures to overcome liquidity shortages. The Confederation is strengthening its support by waiving the repayment of the outstanding balance of the additional loan granted to the Swiss Hotel Credit Corporation (SCH), which expired at the end of 2019. The SCH thus has an additional CHF 5.5 million at its disposal for loans to retroactively finance the investments of the accommodation facilities, which the latter have financed through their cash flow over the past two years.

— Within the framework of regional policy, federal loans for projects (60% of which are in the tourism sector) currently amount to around CHF 530 million. By law, the management of these loans is delegated to the cantons. In order to make more liquidity available to borrowers, the Confederation allows the cantons greater flexibility in managing the possibilities of deferring payments. This should help the ropeway sector in particular in the short term, where repayments often fall due after the winter season.

Switzerland (6/6)

Additional measures relating to the Labour Act (Proposed)

— Hospitals and clinics, in particular, are under great strain in the current situation. It is impossible for them to employ their staff in compliance with all legal provisions given their extraordinary workload and limited staff numbers. They will be allowed the greatest possible flexibility in terms of working hours and rest periods. The priority remains, however, to ensure sufficient protection for medical and nursing staff, care assistants and all other persons involved, who contribute with their valuable commitment to the management of this exceptional situation.

The approach of the Swiss tax authority concerning relief related to value added tax (VAT) reflects the following:

— To benefit from tax payment deferrals, companies must file a written request in accordance with provisions of the VAT law, and this applies to all taxpayers including foreign companies with a Swiss tax representative. All applications must be submitted by email or post. No separate procedure is currently planned.

— The Swiss tax authority is currently prioritizing the review of requests for early payments of VAT credits and is aiming for fast payment settlement.

— There are currently no separate extensions to the deadlines for VAT refund procedures planned (i.e., the deadline concerning VAT incurred in the calendar year 2019 is still 30 June 2020).

Main sources of information

— Switzerland: Tax measures in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-switzerland-tax-measures-response-coronavirus.html

— The Federal Council of Switzerland: https://www.admin.ch/gov/en/start.html

Ukraine (1/3)

18 March 2020 President of Ukraine Volodymyr Zelensky has signed the law "On Amending Certain Legislative Acts of Ukraine aimed at Preventing the Occurrence and Spread of Coronavirus Disease (COVID-19)“

— the procurement of goods, works and services necessary for this purpose without applying the procedures provided for by the Law of Ukraine "On Public Procurement," a 100% prepayment for such goods, works and services, exemption from import duties and VAT on medicines, medical products and medical equipment designed to prevent the occurrence and spread of coronavirus disease (COVID-19), control by the Cabinet on the prices of medicines, medical supplies and socially significant products. Such standards will be temporary and will last three months.

— a set of legal norms aimed at protecting the rights of individuals and legal entities during quarantine and restrictive measures related to the spread of coronavirus disease (COVID-19), namely: the possibility of working at home for employees, government employees and employees of local governments and providing vacation by agreement; granting the right to owners to change the operating modes of bodies, institutions, enterprises, organizations, in particular, receiving and servicing individuals and legal entities with mandatory informing the population about this through websites and other communication tools; a ban on the cancellation of a certificate of registration of an internally displaced person (for the quarantine period and 30 days after its cancellation); attribution of the legal fact of quarantine introduction to force majeure circumstances; extension of terms for receiving and providing administrative and other services; a ban on the conduct of state supervision (control) of planned measures for the implementation of state supervision in the field of economic activity.

— The law includes an instruction to the government to establish additional weekly wage supplements to medical and other workers directly involved in the elimination of coronavirus infection (COVID-19) in the amount of up to 200% of wages for the period of implementation of measures to prevent the occurrence and spread of the disease, until the completion of these activities, as well as additional payments to certain categories of workers, providing the main areas of life;

— The changes also affect the Criminal Code of Ukraine. It is supposed to introduce administrative responsibility for the unauthorized abandonment of the place of observation or quarantine by a person who may be infected with a coronavirus, as well as increasing criminal liability for violation of sanitary rules and norms for the prevention of infectious diseases. Establishment of administrative responsibility for non-disclosure of information on public procurements carried out under this law.

Ukraine (2/3)

— Article 325 of the Criminal Code of Ukraine is interpreted in such a way that a penalty of 1,000 to 3,000 tax-free minimum incomes of citizens will be imposed for violation of the rules and norms established with the aim of preventing epidemic and infectious diseases, as well as mass non-communicable diseases, arrest for a period of six months, restriction or imprisonment for three years, if such actions led or could lead to the spread of the disease. COVID-19 coronavirus will be added to the list of such diseases.

— the law forbids the banks from charging any penalties, fines, increased interest rates on consumer loans

From 1 April 2020, the government will be ready to pay additional UAH 1,000 ($35) to those having a pension of less than UAH 5,000 ($180), from 1 May 2020, pensions will be indexed.

24 March 2020 President of Ukraine Volodymyr Zelensky, at a meeting with newly appointed Ambassador of the People's Republic of China to Ukraine Fan Xianrong, asked the **Chinese government to provide Ukraine with additional assistance to combat the spread of COVID-19** coronavirus: test systems, medical equipment and medicines are needed.

25 March 2020 quarantine is extended till 24 April 2020 and the extraordinary case was announced:

— Schools should be closed till the end of quarantine, the teachers receive the average wage, a centralized system of online distance learning lessons for pupils of 5-11 grade is launched

— Any public events (concerts, meetings etc.) are cancelled

— Limitation of public transport: movement of people between cities and villages by passenger transport is prohibited, urban transportation can be carried out in mode “up to 10 people” in shuttle buses and taxis and up to “20 people” in city busses, trolleybuses and trains, passengers are obliged to wear a mask, metro in Kiev, Kharkov and Dnipro will be closed till the end of quarantine

28 March 2020: Ukraine closes the boarders and bans all the cross-boarder transport communications

Ukraine (3/3)

Main sources of information

— Ukraine: Tax relief measures, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-ukraine-tax-relief-measures-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

United Kingdom (1/6)

Contacts:
Tax: Melissa Geiger – melissa.geiger@kpmg.co.uk
Restructuring: Blair Nimmo – blair.nimmo@kpmg.co.uk

1. General package

The Chancellor has today set out a 12Mds package of temporary, timely and targeted measures to support public services, individuals and businesses through the economic disruption caused by COVID-19

The government continues to work closely with the Bank of England and international partners and has announced a three-point plan at the Budget:

— To support Public Services (NHS in particular)

— To support People affected by Covid-19

— To support businesses experiencing increases in costs or financial disruptions

2. Available measures to support people not employed by corporations to support the Economy

Statutory Sick Pay (SSP) will now be available for eligible individuals diagnosed with COVID-19 or those who are unable to work because they are self-isolating in line with Government advice. This is in addition to the change announced by the Prime Minister that SSP will be payable from day 1 instead of day 4 for affected individuals.

— Those who are not eligible for SSP, for example the self-employed or people earning below the Lower Earnings Limit of £118 per week, can now more easily make a claim for Universal Credit or Contributory Employment and Support Allowance:

— For the duration of the outbreak, the requirements of the Universal Credit Minimum Income Floor will be temporarily relaxed for those who have COVID-19 or are self-isolating according to government advice, ensuring self-employed claimants will receive support.

— People will be able to claim Universal Credit and access advance payments upfront without the current requirement to attend a jobcentre if they are advised to self- isolate.

— Contributory Employment and Support Allowance will be payable, at a rate of 73Mds£ a week if you are over 25, for eligible people affected by COVID-19 or self- isolating in line with advice from Day 1 of sickness, rather than Day 8.

United Kingdom (2/6)

3. Available measures to support people employed by corporations

The government will bring forward legislation to allow small- and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. The eligibility criteria for the scheme will be as follows:

— This refund will cover up to two weeks' SSP per eligible employee who has been off work because of COVID-19

— Employers with fewer than 250 employees will be eligible. The size of an employer will be determined by the number of people they employed as of 28 February 2020

— Employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19

— Employers should maintain records of staff absences, but employees will not need to provide a GP fit note

— The eligible period for the scheme will commence the day after the regulations on the extension of Statutory Sick Pay to self-isolators comes into force

— The government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible. Existing systems are not designed to facilitate employer refunds for SSP

4. Tax-related support for businesses (only certain sectors as of March 19):

— The government will increase the Business Rates retail (*) discount to 100% for one year and expand it to the leisure and hospitality sectors, and increase the planned rates discount for pubs to £5,000. Taken together with existing small business rate relief (which provides full relief for businesses using a single property with a rateable value of £12,000 or less), an estimated 900,000 properties, or 45% of all properties in England, will receive 100% business rates relief in 2020/21:

  – Businesses that received the retail discount in 2019-20 will be rebilled by their local authority as soon as possible

  – Those businesses eligible for the newly expanded retail discount and/or the new pubs discount may need to apply to their local authority to receive the discount

  – Any enquiries on eligibility for, or provision of, the reliefs should be directed to the relevant local authority

(*) Business Rates retail are charged on most non-domestic properties, like shops, offices, pubs, warehouses, factories, holiday rental homes or guest houses. Business rates may need to be paid if a building or part of a building is used for non-domestic purposes

United Kingdom (3/6)

Tax-related support for businesses (continued)

— 12-month business rates holiday for all retail, hospitality and leisure businesses in England and Scotland for the 2020 to 2021 tax year.

— In Northern Ireland no rates will be charged for April-June 2020 for all business ratepayers excluding public sector & utilities.

— There are also reliefs in Wales for retail, leisure and hospitality businesses.

— Businesses may also be able to request Hardship Relief via their local authority.

Supporting small businesses through lower tax rates

— The government will provide an additional £2.2 billion funding for local authorities to support small businesses that already pay little or no Business Rates because of Small Business Rate Relief (SBBR). This will provide a one-off grant of £3,000 to around 700,000 business currently eligible for SBRR or Rural Rate Relief, to help meet their ongoing business costs. For a property with a rateable value of £12,000, this is one quarter of their rateable value, or comparable to 3 months of rent.

Temporary loan program

— Under the Coronavirus Business Interruption Loan Scheme (CBILS) UK businesses with annual turnover of no more than £45m can borrow up to £5m interest-free for 12 months under a British Business Bank (BBB) scheme where the Government provides the lender with a guarantee for 80%of each loan (subject to a per-lender cap on claims) and covers the cost of the first 12 months of interest.

— The scheme will launch during the w/c 23 March 2020.

— Businesses should speak to their existing bank lender(s) if they wish to access CBILS.

United Kingdom (4/6)

HMRC's Time To Pay service

— All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities. These businesses can contact HMRC's new dedicated COVID-19 helpline from 11 March 2020 for advice and support. To ensure ongoing support, HMRC have made a further 2,000 experienced call handlers available to support firms and individuals when needed. Those concerned about being able to pay tax due to COVID-19, can call HMRC's dedicated helpline on 0800 0159 559.

— Under the Coronavirus Job Retention Scheme, HMRC will reimburse 80% of 'furloughed workers' wage costs, up to a cap of £2,500 per month. Employers can choose to top up this amount.

— To access the scheme employers need to (i) designate affected employees as 'furloughed workers,' and notify employees of this change; and (ii) submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (details to follow)

— Changing the status of employees remains subject to existing employment law and may be subject to negotiation.

— HMRC are working urgently to set up a system for reimbursement and the intention to start payments in April..

United Kingdom (5/6)

Tax-related support for businesses (continued)

Business rates reliefs and grant funding from local authorities

— Business rates would temporarily be "scrapped" for certain business premises with a rateable value of less than £51,000; The government has now gone further and introduced a 12-month business rates holiday for all retail, hospitality, and leisure businesses in England for the 2020 to 2021 tax year. In addition, a £25,000 local authority grant would be provided to retail, hospitality, and leisure businesses operating from "smaller premises" with a rateable value between £15,000 and £51,000.

— Businesses in receipt of small business rate relief (SBRR) or rural rate relief will be entitled to a £10,000 local authority small business grant.

— Businesses eligible for SBRR or rural rate relief will be contacted by the local authority—there is no need to apply.

— Scotland & Wales have announced similar grant schemes.

Statutory sick pay

— Businesses with less than 250 employees can obtain a refund from the Government for Statutory Sick Pay paid for up to 2 weeks' absence due to COVID-19. This also covers absence due to self-isolating in line with Government advice.

— Employers will need to consider keeping records of staff absences for purposes of refund claims; there will be no need for employees to provide a doctor's note.

Other tax measures

— Businesses can defer VAT payments which would have been due between 20 March and 30 June 2020 until 31 March 2021.

— Self-employed individuals with income tax payments due in July 2020 under the Self-Assessment system can defer payment until January 2021.

— 3 month deferrals have been agreed through this process during last week

United Kingdom (6/6)

Main sources of information

— United Kingdom: Tax relief to support SMEs, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-uk-tax-relief-support-smes-coronavirus.html

— UK Government: https://www.gov.uk/

— Bank of England: Measures to respond to the economic shock from COVID-19: https://www.bankofengland.co.uk/news/2020/march/boe-measures-to-respond-to-the-economic-shock-from-covid-19

Asia, Oceania

Highlighted in yellow = changes or additions as at 30 March 2020

Australia (1/7)

Contacts:
Tax: Justin C Davis – jcdavis@kpmg.com.au
Restructuring: Matt Woods – mwoods1@kpmg.com.au
James Stewart – jstewart13@kpmg.com.au

The measures announced on 22 March 2020 amount to a further AUS $66.1 billion in federal government support, bringing the total over the last two weeks to approximately AUS $189 billion, including the fiscal measures announced on 12 March 2020 and various financial liquidity support measures (including those of the Reserve Bank of Australia)—about 10% of GDP

Tax relief measures

— The tax relief measures include tax-free withdrawals from superannuation funds. The package includes one-off stimulus payments to individual taxpayers, to be made through the social security system.

— For businesses and non-profits, there are to be tax-free payments made to certain employers (to support small and medium-size businesses). The payment would be delivered as a credit in the business activity statement system.

— To accelerate business investment, the tax depreciation write-off rules are significantly expanded with an increased instant asset write-off for immediate deductions of certain asset purchases and a 50% accelerated depreciation deduction in addition to the existing depreciation deduction for certain eligible asset purchases.

Business tax measures

— The Federal Government is allowing individuals affected by the economic impacts of COVID-19 to access up to $10,000 of their superannuation savings in 2019-20 and a further $10,000 in 2020-21 ($20,000 in total). Individuals will not need to pay tax on amounts released, and the money they withdraw will not affect Centrelink or Veterans' Affairs payments

Changes to drawdown rates

— The Government is temporarily reducing superannuation minimum drawdown requirements for account-based pensions and similar products by 50 per cent for the 2019-20 and 2020-21 income years.

— This measure is intended to provide retirees with greater flexibility in how they manage their superannuation savings.

Australia (2/7)

Business tax measures

— The temporary Boosting Cash Flow for Employers is an initiative with a significantly expanded support measures for small and medium sized businesses to manage cash flow and retain employees. The support payments will also extend to not-for-profit employers (including charities).

— To accelerate business investment, the Government will significantly expand the tax depreciation write-off rules from today. Two key temporary business investment measures have been announced in the stimulus package:

- **Increasing the instant asset write-off:** Eligible businesses will be able to immediately deduct purchases of eligible assets costing less than $150,000. Access to the instant asset write-off will be expanded to include all businesses with aggregated turnover of less than $500 million (up from $50 million) until 30 June 2020. The asset threshold applies on a per asset basis, which would enable businesses to immediately write-off multiple assets. The benefit will also apply to both new and second hand assets first used or installed ready for use in this timeframe
- **Business investment incentive:** A temporary business investment allowance for businesses with aggregated turnover below $500 million purchasing certain new depreciable assets acquired after 12 March 2020 and first used or installed by 30 June 2021. This measure will allow a 50 per cent accelerated depreciation deduction in addition to the existing depreciation deduction. Eligible assets include those depreciable under Division 40 of the Income Tax Assessment Act 1997. It does not apply to second hand Division 40 assets, or buildings and other capital works depreciable under Division 43.

Australia (3/7)

Restructuring

The key features of the Federal Government's insolvency-related package are:

— A temporary increase in the threshold at which creditors can issue a statutory demand on a company, and the time companies have to respond to statutory demands they receive;

— A temporary increase in the threshold for a creditor to initiate bankruptcy proceedings, an increase in the time period for debtors to respond to a bankruptcy notice, and extending the period of protection a debtor receives after making a declaration of intention to present a debtor's petition

— Temporary relief for directors from any personal liability for trading while insolvent; and

— Providing temporary flexibility in the Corporations Act 2001 to provide targeted relief for companies from provisions of the Act to deal with unforeseen events that arise as a result of the Coronavirus health crisis.

Providing more scope to respond to creditors

— A creditor issuing a statutory demand on a company is a common way for a company to enter liquidation. The Federal Government is temporarily increasing the current minimum threshold for creditors issuing a statutory demand from $2,000 to $20,000. This will apply for six months.

— The statutory timeframe for a company to respond to a statutory demand will be extended temporarily from 21 days to six months. This will apply for six months.

— The time a debtor has to respond to a bankruptcy notice will be temporarily increased from 21 days to six months.

Australia (4/7)

Restructuring

Temporary relief from directors' personal liability

Directors are personally liable if a company trades while insolvent.

Through these changes the Government is aiming to:

— Stop directors of companies, that would be ordinarily viable save for COVID-19, from electing to enter into insolvency due to the personal consequences from trading whilst insolvent;

— Enable directors to increase their focus on managing companies through the COVID-19 crisis as opposed to be concerned by the implications for their own personal positions;

— Avoid a situation whereby there are insolvencies en masse in a short space of time which, due to the sheer number of the companies in insolvency, may dilute the ability of companies to be rehabilitated. In this situation, assets may not be saleable given the sheer volume of insolvencies so may be realised for minimal value or parked away.

Agribusiness

The Federal Government's second announcement of economic stimulus measures has a distinct focus on supporting individuals, families and small-medium enterprises to continue to function business-as-usual wherever possible.

In addition to those provisions already made in Tranche 1, the Tranche 2 announcements will particularly benefit recipients of the Farm Household Allowance, small-medium sized agribusinesses and employers of apprentices and trainees (important for various downstream food processing and manufacturing sectors).

This announcement also reinforce support offered by other institutions and regulatory bodies, such as Guarantee Schemes and access to, and reduced cost of, credit.

Australia (5/7)

Filing/Payment Deadline Extension

The ATO announced a series of administrative relief measures, including:

— Deferring by up to four months the payment date of amounts due through the business activity statement (including “pay as you go” (PAYG) instalments), income tax assessments, fringe benefits tax assessments and excise.

— Allowing businesses on a quarterly reporting cycle to opt into monthly goods and services tax (GST) reporting in order to get quicker access to GST refunds to which they may be entitled.

— Allowing businesses to vary PAYG instalment amounts to zero for the April 2020 quarter. Businesses that vary their PAYG instalment to zero will also be permitted to claim a refund for any instalments made for the September 2019 and December 2019 quarters.

— Remitting any interest and penalties, incurred on or after January 23, 2020, that have been applied to tax liabilities.

— Working with affected businesses to help them pay their existing and ongoing tax liabilities by allowing them to enter into low interest payment plans.

Payroll Tax

— **Tasmania** announced a waiver of payroll tax for the last four months of this financial year for hospitality, tourism and seafood industry businesses; a waiver of payroll tax payments for the remaining three months from March to June 2020 for other small to medium businesses with an annual payroll of up to $5 million in Australian wages based on the immediate impact of the virus on their businesses

— **New South Wales** announced AU$450 million for the waiver of payroll tax for businesses with payrolls of up to AU$10 million for three months (the rest of 2019-20); and AU$56 million to bring forward the next round of payroll tax cuts by raising the threshold limit to AU$1 million in 2020-21

— **Western Australia** announced that Small businesses that pay payroll tax will receive a one-off grant of $17,500; AU$1 million payroll tax threshold brought forward by six months to July 1, 2020; and payroll tax payments deferral until July 21, 2020 for businesses impacted by COVID-19

Australia (6/7)

Filing/Payment Deadline Extension (continued)

— In **Queensland**, applications are open for a deferral of tax payment for SMEs until 31 July 2020. In addition, a business impact survey was implemented. Mentoring support (50 mentors available) and financial workshops are being delivered in several locations in Queensland to support SMEs, with an emphasis on local business communities. Sectorial support targeting tourism operators and the commercial fishing industry has also been announced in the state. Queensland offers AUD 500 million in interest free loans.

— **Victoria** announced a package of AUD 1.7 billion for business

Australia's government on 23 March 2020 introduced legislative packages to implement measures announced in tranches 1 and 2 of the economic response to the coronavirus (COVID-19) pandemic.

The tax measures included in the "Coronavirus Economic Response Package Omnibus Bill 2020" propose to:

— Increase the cost threshold below which small business entities can access an immediate deduction for depreciating assets and certain related expenditure (instant asset write-off) from $30,000 to $150,000—from 12 March 2020 to 30 June 2020

— Provide access to an instant asset write-off for entities with an aggregated turnover of $10 million or more, but less than $500 million (up from the existing cap of $50 million)

— Make the instant asset write-off available for depreciating assets and certain related expenditure costing less than $150,000—from 12 March 2020 to 30 June 2020

— Temporarily allow businesses with aggregated turnover of less than $500 million in an income year to deduct depreciation expenses at an accelerated rate subject to certain conditions

— Establish legislative authority for government spending on new measures to assist employers to retain apprentices and trainees and to provide financial assistance to participants in the Australian aviation sector

Australia (7/7)

— Allow individuals affected by the adverse economic effects of the coronavirus to have up to $10,000 released from their superannuation or retirement savings account on compassionate grounds

— Increase the low-income threshold for individuals and families (including the dependent child-student component of the family threshold)

Another package—the "Boosting Cash Flow for Employers (Coronavirus Economic Response Package) Bill 2020"—proposes to provide that the Commissioner of Taxation make cash-flow "boost payments" to eligible entities.

Tranche 2

The government announced further economic support measures on 22 March 2020 to further its tranche 1 stimulus package and the action taken by the Reserve Bank of Australia. The measures are designed to "cushion the economic impact of the coronavirus" and provide minimum payments for eligible small and medium-sized businesses, and not-for-profits (including charities) that employ people.

Furthermore, Australian banks announced support for SMEs through a six month break in loan repayments

Main sources of information

— Australia: Legislative economic stimulus packages, include tax relief (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-australia-legislative-economic-stimulus-packages-tax-relief-covid-19.html

— Australia: Tax relief measures included in economic stimulus package (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-australia-tax-relief-measures-included-in-economic-stimulus-package-covid-19.html

— Australian Government, The Treasury: https://treasury.gov.au/coronavirus

— Prime Minister Of Australia: https://www.pm.gov.au/media/economic-stimulus-package

— Queensland and Australian Governments: https://www.business.qld.gov.au/

Highlighted in yellow = changes or additions as at 30 March 2020

China (1/6)

Contacts:
Tax: Christopher Xing - christopher.xing@kpmg.com;
Restructuring: Wilson Pang – wilson.pang@kpmg.com

— **On march 13th:** the Chinese central bank, which unblocked extensions or renewals of loans to companies at the end of February, announced a reduction in the banks' mandatory reserve ratio, freeing up 550 billion Yuan (70.6 billion euros) to support the economy. The People's daily announces on its front page "the reopening of 79% of major construction sites" in China.

— **On March 12th:** NDRC published a circular encouraging the resumption of activities by foreign companies. The circular asks the relevant local authorities to make regular visits to foreign companies and monitor their projects in order to assess their situation (activities, production, investments).

— **On 19 March,** the government announced a package to support the digitalisation of SMEs in the context of the crisis.

In addition, a wide range of policy measures have been announced for SMEs at the regional level in China. These include deferred tax payments for SMEs, reducing rent, waiving of administrative fees, subsidizing R&D costs for SMEs, social insurance subsidies, subsidies for training and purchasing teleworking services, and lowering lending rates. Furthermore, banks are being granted extra funding to spur SME loans.

Customs/Import and Other Miscellaneous Taxes

— Announcement No. 6 clarifies that imported supplies, donated by domestic and foreign donors and used for prevention and control of the epidemic, can be exempted from import duties, import VAT, and import consumption tax. This relief is valid from January 1 to March 31, 2020. In addition, the preferential treatment also applies to supplies imported by the health administration for the outbreak, even though the supplies are not donated. Tax refunds can be obtained for qualified supplies for which taxes have already been paid.

— Circular 19 extends the February 2020 statutory tax filing deadline to February 24, 2020. This can be further extended by local tax authorities where the outbreak is identified as serious (such as in Hubei province). Affected taxpayers and withholding agents can apply for further extension. Circular 19 also encourages local tax authorities and taxpayers to deal with tax matters online or via mobile application.

China (2/6)

Personal income tax

Announcements Nos. 9 and 10 provide the following tax relief measures:

— An individual income tax exemption on receipt of the following types of income: (1) temporary subsidy and bonus received by medical and epidemic prevention staff engaged in prevention and control activities, that are in accordance with prescribed standards of local government authorities; and (2) medicines, medical supplies, protective equipment and other benefit-in-kind, excluding cash, provided by employers to their employees for prevention of COVID-19.

— Full tax deductibility of the following types of donations made by individuals: (1) donations in cash or in kind, made by individuals through non-profit social organizations or governmental authorities at the county level or above or their subordinate departments; and (2) donations in kind, made directly by individuals to designated hospitals undertaking the tasks of the prevention and treatment of COVID-19.

Payroll tax

— China's Ministry of Human Resources and Social Security issued guidance (Announcement No. 7), which provides measures for local social security bureaus and allows enterprises to make catch-up employer social security contributions within a period of three months following containment of COVID-19 outbreak without adversely affecting employee rights to social security benefits.

— In addition, certain local authorities have introduced policies in the respective city/province in order to support local enterprises during the outbreak. These included deferring adjustments to social security contribution base, adjusting employer contribution rate for certain social security plans, extending payment of employer social security contributions, and relaxing the restrictions on applying for refunds of unemployment insurance.

China (3/6)

Fiscal policy

— The Ministry of Finance is allowing local governments to retain 5% more tax revenue from March to June 2020, which is estimated to increase total local revenue by RMB 110 Billion ($16 billion). Local governments have also issued RMB 1.2 trillion in bonds, more than 66% of their quota allocated for 2020 (expansion of the quota likely to be announced when the National People's Congress convenes).

Labour Policy

— The finance ministry cut social insurance payments by RMB 1 trillion to incentivize companies to retain employees. In late January the ministry announced that workers‘ compensation would be subsidized for infected medical workers, and local finance departments rolled out daily stipends for them.

Trade restrictions

— In China’s major cities (Beijing/Shanghai/Guangdong), companies that are found to be in temporary difficulties owing to the coronavirus outbreak and do not lay off employees or minimize the layoffs can get a refund of unemployment insurance premiums.

— In Guangdong province, China’s manufacturing heartland, over 6.08 million migrant workers had returned to work, which represents around a third of the overall migrant worker population in the province, although efforts have largely been focused on larger companies, with smaller firms continuing to struggle."

China (4/6)

The National Development and Reform Commission, 27th of January, 2020

Emergency investment of 300 million Yuan in the central budget: The Wuhan Huoshen Mountain Hospital and Wuhan Leishen Mountain Hospital, which are special subsidies for the treatment of patients with novel coronavirus-infected pneumonia, are mainly used to purchase important medical equipment and provide facility guarantee for the realization of "centralized patients, centralized experts, centralized resources, and centralized treatment".

The People's Bank Of China(PBOC), 3rd of February, 2020

Launched 1.2 trillion Yuan of the public market reverse repurchase operation on February 3rd: Maintain the liquidity of the banking system in the special period of epidemic prevention and control, meet the reasonable financing needs of the market, reduce the reverse repurchase rate by 10 basis points, and provide targeted low-cost special re-loan fund.

The People's Bank Of China(PBOC) 10th of February, 2020

Issuing the first batch of the special re-loans: Support them to provide preferential loans to the enterprises under the list management system, which are the key protection enterprises for epidemic prevention and control. For enterprises that enjoy special re-loan support from the PBOC, the Ministry of Finance will provide fiscal interest discounts support.

State Administration of Taxation, 11th of February, 2020

Guidelines for Preferential Tax Policies for the Prevention and Control of the Epidemic Pneumonia Caused by Novel Coronavirus Infection: Involve 12 policies in four aspects, namely, supporting prevention and treatment, supporting material supply, encouraging public welfare donations and supporting the resumption of work and production.

China (5/6)

The People's Bank Of China(PBOC), 17th of February, 2020

Carry out medium-term lending facility (MLF) of RMB 200 billion and 7-days reverse repos of RMB 100 billion, and the interest rate of this MLF is 10 BP lower than the previous: In order to hedge the impact of factors such as the maturity of Peoples Bank of China (PBOC) ‘s reverse repos and maintain a reasonable and sufficient liquidity of the banking system

The state council executive meeting, 18th of February, 2020

Phased reduction and exemption of corporate social insurance fees and implementing the policy of payment delaying of housing fund by enterprises: "In order to reduce the impact of the epidemic on enterprises, especially small and medium-sized enterprises, in all provinces except Hubei province from February to June, small and medium-sized enterprises can be exempted from endowment insurance, unemployment insurance and industrial injury insurance, and from February to April, large enterprises can be reduced by half; Hubei Province can be exempted from February to June for all kinds of insured enterprises. At the same time, before the end of June, the enterprise can apply for delaying the payment of housing provident fund. During this period no overdue treatment will be made for the provident fund loans that the employees fail to repay normally due to the impact of the epidemic. "

The People's Bank Of China(PBOC) 20th of February, 2020

LPR interest rate reduction operation: The LPR of one-year period was 4.05%, 10 bp lower than that of last month; the LPR of more than five-year period was 4.75%, 5bp lower than that of last month.

The Ministry of Finance of PRC

Pre-allocate subsidies for epidemic prevention and control: As of February 23, 99.5 billion Yuan of epidemic prevention and control subsidy has been allocated by the Ministry of Finance at all levels, of which 25.52 billion Yuan has been allocated by the central government to ensure the need for epidemic prevention and control funds.

China (6/6)

Main sources of information

China: Tax challenges and policy options, coronavirus epidemic: https://home.kpmg/us/en/home/insights/2020/02/tnf-china-tax-challenges-and-policy-options-coronavirus-epidemic0.html

China: Social security relief for enterprises, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-china-social-security-relief-for-enterprises-response-to-coronavirus-covid-19.html

China: Income tax relief, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/02/tnf-china-income-tax-relief-response-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Hong Kong (1/2)

Contacts:
Tax: Curtis Ng – curtis.ng@kpmg.com
Restructuring: Patrick Cowley – patrick.cowley@kpmg.com

General information

On 25 February, the Financial Secretary announced a reduction of the profits tax by 100% (subject to a cap) and low-interest loans for SMEs, with government guarantees as part of a wider package worth HKD 18.3 billion (USD 2.3 billion). A key highlight of the measures was a full government guarantee on loans of up to HKD 2 million for every small and medium-sized enterprise, under a financing guarantee scheme and involving HKD 20 billion in total.

Some banks have come forward with liquidity relief (USD 3.9 million) for businesses affected by the outbreak. In September, a bank introduced a scheme under which SMEs could make interest-only payments for six months (one year if the loan is secured by property) since September. This was recently extended to taxi and public light bus operators as a response to the crisis. Moreover, SMEs that have opted for trade finance have the option to convert part of their loan facility into an overdraft facility for six months in order to help with their working capital needs. The bank also announced it would extend the waiving of handling fees until the end of December and would subsidise guarantee fees for SMEs applying to the government's SME Financing Guarantee Scheme until the same date.

Monetary Policy:

On 15 March, following moves by the Fed, the Hong Kong Monetary Authority lowered its countercyclical capital buffer imposed on banks to 1% from 2%, and reduced its base rate by 64 basis points to 0.86%.This freed up HKD 500 billion in capital.

Fiscal policy:

Hong Kong in early March launched a fiscal stimulus of approximately USD 1300 for each of Hong Kong's 7 million residents, as well as targeted income tax cuts and rent suspension for a portion of the population, for a total of around USD 15 billion. Hong Kong will run its first budget deficit in years, and is projected to continue to run this deficit for the coming five years at least.

Hong Kong (2/2)

Tax Relief:

— A reduction of 2019-20 profits tax payable by 100%, subject to a ceiling of HKD 20,000.

— A reduction of the 2019-20 salaries tax and tax under personal assessment by 100%, subject to a ceiling of $20,000.

— Waiver of the surcharge for up to one year on tax payments deferred under an approved instalment plan. The waiver is applicable for the 2018-19 year of assessment, and covers profits tax, salaries tax, and personal assessment. Taxpayers in need would be able to apply for an instalment payment plan before the due date of the respective tax payments.

— When the government announced work-from-home requirements for the public service, tax deadlines—including tax return filing, tax payment and responding to enquiries—have generally been deferred until the tax authority reopens**.**

Main sources of information

— Hong Kong: Tax relief measures, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-hong-kong-tax-relief-measures-response-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

India (1/5)

Contacts:
Tax: Himanshu Parekh – himanshuparekh@kpmg.com
Restructuring: Manish Aggarwal – manishaggarwal@kpmg.com

Government of India (Finance minister) announced the 24 March 2020 certain relief measures in view of COVID-19 outbreak. Please see below a summary. Detailed press note is also attached in case you would like to get into further details.

Direct tax:

— FY 18-19: Last date of IT return extended from 31 March 2020 to 30 June 2020 (3 months extension)

— Aadhaar-Pan linking date extended from 31 March 2020 till 30 June 2020 (3 months extension)

— Vivad se Vishwas scheme (Direct tax amnesty scheme introduced by Govt. in Budget 2020) extended from 31 March 2020 to 30 June 2020 with no additional 10% charge

— Any delays in deposit of TDS, advance tax, regular tax, etc. made till 30 June 2020, to be subject to reduced interest @ 9% instead of 12%/18%.

— All other due dates for issue of notices, filing appeal, etc. under IT Act to be extended till 30 June 2020.

GST/Indirect tax:

— Companies with < INR 50 million turnover: Can file GSTR-3B due in March, April and May 2020 by last week of June 2020. No penalty or interest will be charged.

— Companies with > INR 50 million turnover: Can file GSTR-3B due in March, April and May 2020 by last week of June 2020. However, interest at a reduced rate of 9% will be charged instead of 18%.

— Composition scheme:

  – Last date to opt for composition scheme extended till 30 June 2020.
  – Last date for making payment for quarter ending 31 March 2020 is extended to 30 June 2020.
  – Return filing date extended to last week of June 2020.

— Last date for filing GST annual return for FY19 due on 31 March 2020 is extended till last week of June 2020.

— Customs clearance will be doing duty 24*7 till 30 June 2020

India (2/5)

GST/Indirect tax (continued)

— Due date for all other notices, notification, filing appeal, etc. extended till 30 June 2020.

Financial services (Relaxation for 3 Months):

— Complete waiver of minimum balance charges for Savings Bank account

— Debit card holders can withdraw cash from any bank ATM for free of charge

— Bank charges for digital trade transactions will be reduced for all trade finance customers

Insolvency and Bankruptcy Code (IBC):

— Threshold of default under section 4 of the IBC has been increased from Rs 1 lakh to Rs 1 crore. This will prevent triggering of insolvency proceedings against MSMEs.

— If the current situation continues beyond 30 April 2020, Section 7, 9 and 10 of IBC to be suspended for 6 months so as to stop companies at large from being forced into insolvency proceedings in such force majeure causes of default.

Corporate affairs:

— No fees to be charged for late filing during moratorium period (01 April 2020 to 30 September 2020, 6 months) in respect of any document, return, statements, etc required to be filed with MCA (Ministry of Corporate Affairs)

— The mandatory requirement of holding board meeting within 120 days of last meeting shall be extended by period of 60 days. Relaxation is till 30 September 2020.

— Applicability of CARO, 2020 has been shifted to FY21 instead of FY20. (CARO is Companies Auditors' Report Order)

— Companies Act requirement of creating deposit reserve of 20% of deposits maturing in FY21 and investing 15% of debentures maturing in FY21 before 30 April 2020 may be done before 30 June 2020

India (3/5)

INR 1.7 lakh crore (~USD 22 billion) relief package announced by the Finance Minister on 26 March 2020

Food related

— About **80 crore poor people** (about two-thirds of population) will be covered under the Pradhan Mantri Garib Kalyan Anna Yojana (Food scheme)

— Everyone under this scheme will get **5 kg of wheat and rice for free** in addition to the current 5 kg allocation for the next 3 months

— In addition, **1 kg of preferred pulse (based on regional preference) will be given for free** to each household under this Food scheme for the next three months.

— This distribution will be done through Public Distribution Scheme (PDS) and can be availed in two instalments.

Direct benefit transfer related

— Farmers currently receive INR 6,000/- every year through the PM-KISAN scheme (minimum income support scheme) in three equal instalments. The government will now be giving the **first instalment upfront for fiscal year starting April 2020**. About 8.69 crore farmers are expected to benefit from this immediately.

— MNREGA workers: Wage increase from INR 182/- to INR 202/-. Such increase will benefit 5 crore families. The wage increase will amount into an **additional income of INR 2,000/- per worker**.

— 3 crore poor senior citizens, widows, disabled to get one-time ex-gratia **amount of INR 1,000** in two instalments over the next 3 months.

— 20 crore woman Jan Dhan account holders to be given ex-gratia amount of INR 500 per month for the next 3 months, to run the affairs of their household.

— Women in **8.3 crore families below poverty line** covered under Ujwala scheme will get **free LPG cylinders for 3 months.**

— For 63 lakh Self-help Groups (SHGs), which help 7 crore households, the government is **doubling collateral-free loans to Rs 20 lakh.**

— State governments have been directed to use the welfare fund for building and construction workers. The District Mineral Fund, worth about INR 31,000 crore, will be used help those who are facing economic disruption because of the lockdown.

India (4/5)

Healthcare related

— The Finance Minister has announced medical insurance cover of Rs 50 lakh per healthcare worker. About 20 lakh health services and ancillary workers will benefit from such insurance scheme.

Organized sector related

— The government of India will pay the EPF contribution, both of the employer and employee (12% each), for the next 3 months. **This is for establishment which have up to 100 employees**, with 90% of them earning less than INR 15,000 per month.

— EPFO Scheme's regulations for organized sector will be amended to allow non-refundable advance of 75% of the amount standing to the credit of the worker or 3 months' wages, whichever is lower. This will benefit 4.8 crore workers who are registered with EPF and in a position to withdraw money.

Relief measures announced by Reserve Bank of India on 27 March 2020

Liquidity measures

— Reduction of policy **repo rate** by 75 basis points (from **current 5.15% to 4.40%)**

— RBI will conduct auctions of TLTRO (Targeted Long Term Repo Operations) of up to three-year tenor of appropriate sizes for a total amount up to INR 1 lakh crore (**~USD 13 billion**) at a floating rate, linked to policy repo rate

— CRR of all banks to be reduced by 100 basis points to 3% beginning March 28, for 1 year. This will release liquidity of INR 1,37,000 crore across the banking system

— MSF raised from 2% of SLR to 3% with immediate effect. Applicable up to June 30, 2020.

— ***These three liquidity measures will inject liquidity of INR 3.74 lakh crore (~USD 50 billion) to the system.***

Regulatory measures

— All lending institutions are being permitted to allow a **moratorium of three months on repayment of installments for term loans outstanding as on March 1, 2020**

India (5/5)

Regulatory related (continued)

— Lending institutions permitted to allow **deferment of 3 months on payment of interest** w.r.t all such working capital facilities o/s as of March 1, 2020

— Deferring payments **will not result in asset classification downgrade**.

— Further deferring implementation of last tranche of 0.625 % of capital conservation buffer to Sept. 30, 2020

— Banks in India that operate IFSC banking units allowed to participate in offshore INR NDF market w.e.f. June 1, 2020

Main sources of information

— India: Tax relief measures, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-india-tax-relief-measures-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Indonesia (1/2)

Contacts:
Tax: Abraham Pierre – abraham.pierre@kpmg.co.id
Jacob Zwaan - jacob.zwaan@kpmg.co.id

General information

On 25 February, the government announced a USD 725 million package with financial incentives to support tourism, airlines and property industries, in addition to further subsides and tax cuts.

On 13 March, Indonesia announced a further IDR 120 trillion (USD 8.1billion) stimulus package, representing 0.8% of GDP, including exempting some manufacturing workers from income tax and reducing corporate tax payments for manufacturing companies. As part of the state's non-fiscal response, rules will be relaxed governing restructuring of bank loans to small and medium-sized companies, certification processes for exporters will be simplified and the government will make it easier to import raw materials. More measures are expected.

On 19 March, Bank Indonesia cut its benchmark interest rate by 25 basis points and lowered its deposit facility rate to 3.75% and lending facility rate to 5.25%. The Bank also lowered the rupiah reserve requirement ratio by 50 bps for banks involved in financing small and middle businesses and other priority areas after a 50 bps cut last month to support trade activities.

Monetary policy

Updated 20 March: Central bank again cut the interest rate benchmark by another 25 bps to 4.5%. The bank has also planned intervention measures to stabilize the market as the rupiah hit 16,000 to the dollar on 20 March, the lowest level since 1998 during the Asian Financial Crisis. Economic growth in 2020 is projected at 4.2%-4.6%.

Fiscal Policy

Policies include fiscal stimulus for tourism and manufacturing industries, wage subsidies (by temporarily exempting manufacturing workers from income tax payments), and cash transfers (through increased subsidies for the Affordable Food Program to boost local consumption).

The government has also announced its plan to buy back government bonds to stabilize the financial market.

Indonesia (2/2)

Trade restrictions

— On March 20, The Ministry of Trade has issued a ban to export antiseptic, masks, and personal protection equipment to any country to prioritize domestic supplies. The ban applies temporarily until June 2020.

Incentives to companies to continue operating

— IDR 10 trillion (USD 725 million) fiscal stimulus package to support domestic tourism industry and tax waivers for hotels and restaurants in major tourist destinations in February.

— In the manufacturing industry, the government delays import duty and corporate income tax payments for six months (as per April 2020).

Main sources of information:

— Ministry of finance: https://www.kemenkeu.go.id/covid19

Highlighted in yellow = changes or additions as at 30 March 2020

Japan (1/3)

Contacts:
Tax: Takayuki Kozu – takayuki.kozu@jp.kpmg.com
Restructuring: Yoshinubu Nakamura – yoshinobu.nakamura@jp.kpmg.com

Introduction

The government announced a first package of measures of 270MdsJPN (2.5MdsUSD), with an emphasis on health measures

— The Japanese government is significantly expanding subsidies to maintain jobs impacted by the health crisis. Subsidies for SMEs are increased in areas of the territory particularly affected by the decline in economic activity (between +60 and +80%) and to support teleworking in SMEs (including encouraging firms to adopt IT solutions and develop e-commerce sales channels)

— SMEs facing more than a 15% decrease in sales can claim compensation of interests and can borrow without collateral. Japan also considers extending its programme for property tax breaks for small firms. On 21 March, media reported the government planned a corporate tax refund, mainly directed to SMEs

— To help private financial institutions to increase lending to help businesses whose sales are declining, a new funding framework with a 0% interest rate until the end of the month has been established.

— The Japanese government is concentrating its financial resources to support small and medium-sized enterprises. The Japanese government is concentrating its financial resources on supporting the fabric of small and medium-sized enterprises. 1,000 billion yen (8.5 billion euros) will be devoted to the recovery effort.

— Provision of special COVID-19 loans (500 billion yen - 4.3 billion euros) with low interest rates to provide financial support to businesses.

The Bank of Japan (BoJ) has loosened monetary policy by:

— Doubling the target for net purchases of exchange-traded funds to JPY 12 trillion ($112 billion)

— Agreeing to coordinated foreign swap lines, to lower the cost of borrowing dollars internationally, with the US Federal Reserve

— Establishing a new one-year facility that would offer loans against corporate debt as collateral at a zero per cent interest rate

— Increasing the upper limit for its purchases of commercial paper and corporate bonds by ¥2tn.

Japan (2/3)

Filing/Payment Deadline Extension

The payment due dates for 2019 tax return for taxpayers who use automatic bank transfer will be extended as follows:

— Individual income tax and special reconstruction income tax are due May 15, 2020.

— Individual consumption tax and local consumption tax are due May 19, 2020.

— The payment due date for consumption taxpayers who apply special measures for certain short tax periods is also May 19, 2020. In addition, a grace period can be granted upon request to the tax office for taxpayers who cannot pay national tax at one time due to the effect of the coronavirus. The Tokyo tax authorities announced an extension of business tax (local tax) due between February 27, 2020 and April 15, 2020 to April 16, 2020 (except for when a taxpayer closed the business in the middle of the year).These announcements followed the national tax agency's previous announcements that—due to the coronavirus (COVID-19)—the tax return filing and payment dates for individual income tax, gift tax, and individual consumption tax for 2019 are extended to April 16, 2020.

— Fiscal stimulus spending by Abe's government will serve as the main tool for softening the outbreak's economic impact. The government will likely provide more stimulus in FY2020 using reserve funds in the budget for that year. It is developing a proposal to potentially cut the sales tax rate."

Fiscal Policy

— **Updated 19 March**: The government is discussing another near-term economic stimulus package or packages that will likely be funded via reserve funds in the FY2020 budget as well as a supplementary budget expected to total 30 trillion yen (about $274 billion) or more.

— **Updated 23 March:** The announcement on 22 March by the International Olympic Committee (IOC) that it will consider modifying or postponing (but not cancelling) the Games will boost pressure on the government to compile a robust economic stimulus package. The current plan is to have this package total around JPY 30 trillion (about USD 270 billion), including fresh fiscal spending of over JPY 15 trillion (about USD 135 billion).

— Updated March 19: The government has pledged to provide additional funds for employment adjustment assistance and promotion of telework.

Japan (3/3)

Trade restrictions

Updated March 19: Tokyo imposed additional restrictions on South Koreans seeking entry into Japan. Subsequently, Seoul imposed similar restrictions. These restrictions have not produced any new obstacles to bilateral trade, but it could indicate rising tension and further complicate efforts to resolve an existing trade dispute between the two countries that began last summer.

Incentives to companies to continue operating

Prime Minster Abe's government has introduced a new $15 billion lending program to help businesses hit by the pandemic.

Main sources of information

— Japan: Additional extensions of tax return filing, payment deadlines due to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-japan-additional-extensions-tax-return-filing-payment-deadlines-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Malaysia (1/2)

Contacts:
Tax: Nicholas A Crist – nicholascrist@kpmg.com.my

General information

Commercial banks have introduced support packages that include emergency loans to support their SME clients as well as flexibility for repayments of existing loans in addition to a decrease in the Policy rate.

Monetary policy

Update March 20: Malaysian Central Bank has cut its statutory reserve ratio from 3% to 2% releasing RM30 billion ($6.81 billion) into the banking system effective 20 March - to cope with the economic slowdown caused by the coronavirus outbreak and the declining oil prices.

Central Bank has lowered its overnight policy rate by 25 basis points to 2.5% in early March (the second reduction to its benchmark rate this year).

Fiscal policy

In February, the government has prepared RM 20 billion ($4.8 billion) for financial stimulus packages, providing tax breaks and cash aid to affected companies and households as well as an additional RM620 million ($205 million) in March to support affected industries and employer(see under labour policy and incentives to company).

Labour policy

The government has allocated RM120 million - out of the additional RM620 million - in the form of monthly hand-outs amounting RM600 ($138) to workers earning below RM4,000 ($920) a month for six months.

Incentives to companies to continue operating

Fiscal policy applies: RM500 million (out of the additional Rm620 million) are allocated for a discount on electricity tariffs for commercial, industrial, and agriculture sectors from April 1 to Sept 30.

Malaysia (2/2)

The Malaysian Inland Revenue Board issued a series of releases 20-25 March 2020 as well as a set of “frequently asked questions” (FAQs) in relation to taxation matters in response to the coronavirus (COVID-19) pandemic.

Among the measures announce:

— No penalty will be imposed on late payment of taxes provided the payment is made by 30 April 2020.

— There is an extension of time—until 30 April 2020—to submit Form CP204B, Submission of Notification of Change in Accounting Period, which is due in the period from 18 March 2020 to 29 April 2020.

— An extension of time until 30 April 2020 is allowed for submitting documents for tax audit or investigation, otherwise due within the period of 18 March 2020 to 29 April 2020.

Main sources of information

— Malaysia: Tax relief, postponed deadlines, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-malaysia-tax-relief-postponed-deadlines-responding-to-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

New Zealand (1/2)

Contacts:
Tax: Tony Joyce – tjjoyce@kpmg.co.nz
Restructuring: David King – davidking@kpmg.co.nz

Business Income Tax

— Reintroduction, from the 2020-21 income year, of a 2% DV depreciation deduction for commercial and industrial buildings. This would include hotels and motels.

— Temporary increase in the threshold for expensing low-value assets from NZ$500 to NZ$5,000 during the 2020-21 income year. The threshold would be NZ$1,000 from the 2021-22 income year.

— Changes to the calculation of the in-work tax credit to remove the hours worked test.

— NZD 2.8 billion in business tax changes to free up cash flow, including a provisional tax threshold lift, the reinstatement of building depreciation and writing off interest on the late payment of tax

Filing/Payment Deadline Extension

— The threshold for paying provisional tax will increase from $2,500 to $5,000 of residual income tax, from the 2020-21 income year.

— Inland Revenue will be given the power to write off interest on late payments for those adversely impacted by COVID-19 for tax payments due after February 14, 2020.

Reserve Bank Support

— The Reserve Bank has announced an emergency policy rate cut by 75 basis points, to 0.25%, accompanied by forward guidance saying this is for at least 12 months

— the Reserve Bank announced further measures to support commercial banks to strengthen liquidity

New Zealand (2/2)

NZD 12.1 billion business continuity package:

— NZD 5.1 billion in wage subsidies for affected businesses in all sectors and regions, available from today;

— NZD 126 million in COVID-19 leave and self-isolation support;

— NZD 2.8 billion income support package for our most vulnerable, including a permanent $25 per week benefit increase and a doubling of the Winter Energy Payment for 2020;

— NZD 100 million redeployment package;

— NZD 600 million initial aviation support package.

Main sources of information

— New Zealand: Tax relief in government's response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-new-zealand-tax-relief-government-response-coronavirus.html

— COVID-19: Information for businesses: https://www.business.govt.nz/news/coronavirus-information-for-businesses/

— Financial system sound, and Reserve Bank providing additional support: https://www.rbnz.govt.nz/news/2020/03/financial-system-sound-and-reserve-bank-providing-additional-support

— COVID-19 Economic Package updated: https://treasury.govt.nz/news-and-events/news/covid-19-economic-package-updated

Highlighted in yellow = changes or additions as at 30 March 2020

Singapore (1/5)

Contacts:
Tax: Gordon Lawson – sgglawson@kpmg.com.sg
Restructuring: Bob Yap – byap@kpmg.com.sg

The Minister for Finance has unveiled during Budget 2020 on 18 February 2020, a S$4 billion Stabilization and Support Package that contains a range of measures, to cushion the blow of the novel coronavirus on local businesses and workers.

Broad-based measures for workers

Jobs Support Scheme

— Employers will receive an 8% cash grant on the gross monthly wages of each local employee (applicable only to Singapore Citizens and Permanent Residents) for the months of October 2019 to December 2019, subject to a monthly wage cap of S$3,600 per employee. Cash grants received by employers would be tax exempt.

Enhancements to Wage Credit Scheme

— This scheme, which co-funds wage increases for Singaporean employees, will see an increase in the qualifying gross monthly wage ceiling from S$4,000 to S$5,000. The Government will also increase the level of co-funding by five percentage points to 20% and 15% of the wage increases in 2019 and 2020 respectively.

Broad-based measures for businesses

Enhanced SME Working Capital Loan

— The SME Working Capital Loan (which has been subsumed under the Enterprise Financing Scheme), will be enhanced to increase the maximum loan quantum from S$300,000 to S$600,000. The Government's risk share will also be increased from the current 50% to 70%, to 80% for SMEs borrowing from Participating Financial Institutions under the scheme. The above enhancement will be effective from March 2020 and is available for one year till March 2021.

Singapore (2/5)

Corporate income tax rebate

— Companies will enjoy an enhanced corporate income tax rebate of 25% of tax payable, capped at S$15,000 for YA 2020. This is an increase from the 20% rebate (capped at S$10,000) granted for YA 2019.

Interest-free instalments for Estimated Chargeable Income (ECI) payments

— An additional two months of interest-free instalments will be granted to companies paying their corporate income tax by GIRO when they file their ECI within three months from their financial year-end. This automatic extension of instalment plan will apply to companies that file their ECI from 19 February 2020 to 31 December 2020; or companies that file their ECI before 19 February 2020 and have ongoing instalment payments to be made in March 2020.

Enhanced carry-back relief scheme

— The carry-back relief scheme will be enhanced to allow all persons carrying on a business, including sole proprietorships as well as partnerships, to carry back qualifying deductions (capped at S$100,000) for YA 2020 for deduction against assessable income up to three immediate preceding YAs (previously only up to the immediate preceding YA), subject to certain conditions.

Options to accelerate capital allowance claims and deductions

— Taxpayers who incur capital expenditure on plant and machinery in the basis period for YA 2021 will have an option to claim accelerated capital allowance over two years. Taxpayers can claim capital allowances of 75% of the costs in YA 2021 and the remaining 25% in YA 2022. No deferment of claims is allowed under this option.

— Taxpayers who incur qualifying expenditure on renovation and refurbishment for the basis period of YA 2021 will have the option to claim renovation and refurbishment deductions in one YA (instead of over three YAs). The cap of S$300,000 for every relevant three-year period continues to apply.

Singapore (3/5)

Targeted measures for specific sectors

Enhancement to the Adapt and Grow initiative

— Employees in affected sectors such as tourism, aviation, retail and food services sectors will receive enhanced support through new redeployment programmes. The funding support period for existing redeployment programmes (i.e. Job Redesign Place-and-Train (PnT) Programme for Hotel Industry and Job Redesign PnT Programme for Retail Industry) will be extended from three months to a maximum of six months.

Property tax rebate (PTR) for qualifying commercial properties

— 30% PTR for accommodation and function room components of licensed hotels and serviced apartments, and Meetings, Incentives, Conventions and Exhibitions spaced components of Suntec Singapore Convention & Exhibition Centre, Singapore EXPO and Changi Exhibition Centre

— 15% PTR for other qualifying commercial properties such as the premises of international airport and tourist attractions, shops within hotels, etc.

— 10% PTR for Marina Bay Sands and Resorts World Sentosa

One-year temporary bridging loan programme for tourism sector enterprises

— Eligible enterprises will be able to borrow up to S$1 million, with the interest rate capped at 5% p.a. The Government will co-share up to 80% of the borrowing risk.

S$112 million aviation sector assistance package (co-funded by the Government)

— Rebates on landing, parking and regulatory fees, etc. for airlines, freighter airlines and cargo agents

— Assistance to ground handling agents

— Rental rebates for shops and cargo agents at Changi Airport

Port dues concession

— Cruise ships and regional ferries with a port stay of not more than five days and passenger-carrying harbour craft will be given a 50% port dues concession from 1 March 2020 to 31 August 2020.

Singapore (4/5)

Rental waivers

— Hawkers (food courts) managed by the National Environment Agency will be provided with one month's worth of rental waiver while qualifying commercial tenants managed or owned by other government bodies will be provided half a month's rental waiver.

The Government is currently working on a second stimulus package, expected to be worth S$1.6 billion, to help workers stay employed and to emerge stronger when the economy recovers. Details on the second package are likely to be announced shortly.

Apart from the short-term measures to combat the negative economic impact brought about by COVID-19, the Government has also announced during Budget 2020, certain medium and longer-term measures, amongst others, announced/ enhanced include:

— The Government is aiming to reach out to 3,000 SMEs with the Enterprise Development Grant (EDG) that provides up to 70% support in three areas: Core Capabilities, Innovation and Productivity, and Market Access.

— The Enterprise Leadership for Transformation (ELT), aimed at business leaders with the ambition and commitment to transform their business, is a three-year pilot focused on helping the professional growth of SME business leaders.

— Enhancement to the Market Readiness Assistance (MRA) grant, a broad-based enterprise grant scheme that provides 70% funding for eligible costs incurred by SMEs taking their first steps overseas, with grant cap increased from S$20,000 per year to S$100,000 per new market per company.

— Enhancement to the Double Tax Deduction for Internationalization (DTDi) scheme that gives businesses an automatic 200% tax deduction on qualifying expenditure of up to S$150,000 incurred on specified activities, which have been expanded to include new categories of expenses.

— The New Skills Future Enterprise Credits to help enterprises defray 90% of out-of-pocket costs of business transformation, job redesign and skills training.

— The expansion of the Productivity Solutions Grant, which supports enterprises to adopt pre-approved IT solutions and equipment, to include job redesign consultancy services.

— The tightening and extension of the Mergers & Acquisitions (M&A) scheme to provide a continuous drive to encourage and support enterprises, especially SMEs, to continue to transform and grow via strategic acquisitions.

Singapore (5/5)

Main sources of information

— Supplementary Budget 2020: https://www.singaporebudget.gov.sg/budget_2020/resilience-budget

Highlighted in yellow = changes or additions as at 30 March 2020

South Korea (1/2)

Contacts:
Tax: Sang-Bum Oh – sangbumoh@kr.kpmg.com
Restructuring: Jae Hyeon Lee – jaehyeonlee@kr.kpmg.com

General information

Between 7 February and 3 March, the financial sector (from both state-invested banks, private banks and credit card companies) provided financial support directed at SMEs worth EUR 2.1 billion.

On 4 March, the Ministry of SMEs and Start-ups announced its plan to provide support worth EUR 1.2 billion as supplementary budget, including the following measures:

- An Emergency Fund, providing direct financial support to SMEs and self-employed, aimed at encouraging these firms to keep their employees;
- Government guarantees, and insurance on loans.
- Sanitary support for the reopening of SMEs that closed due to exposure to infected patients;
- Encouraging brick-and-mortar shops to open their business online.
- Simplification of procurement processes by limiting on-site inspections.

Priority is given to regions that were affected the most.

- On 19 March the Government announced a further USD 39 billion package including:
  - Emergency financing for small businesses and other stimulus measures;
  - Loan guarantees for struggling small businesses with less than USD 78 000 in annual revenue to ensure they can easily and cheaply get access to credit.

Domestic commercial banks and savings banks will also allow loans to be rolled over for small businesses if they cannot afford payment when due.

Monetary Policy

On March 23, The Bank of Korea ledged to begin purchasing an unspecified amount of local bonds to help prevent a possible liquidity crunch as well as expand the scope of its purchase program to include bonds issued by public enterprises.

The Bank of Korea slashed its benchmark interest rate to 0.75% in an emergency move following actions by the Federal Reserve. Korea will lower interest rates applied to its loan facility for smaller companies, and add bonds issued by banks to its open market operations to enhance liquidity

South Korea (2/2)

Fiscal policy:

11.7 trillion won ($9.8 billion) in a stimulus package was announced on March

2.3 trillion won will be allocated to fund quarantine efforts and 3.0 trillion won will go to small- to medium-sized businesses.

Government debt will increase to 41.2 percent of GDP, compared with 39.8 percent projected earlier

Labour Policy:

On March 19, the government has relaxed requirements for overtime work and pledged to provide more financial assistance to support wages.

The epicentre of the virus happened in South Korea's ""rust belt"“ where heavy industry a (particularly automotive) production occurs. The auto industry is facing disruptions in supply chain production lines.

Trade restrictions:

On March 19, Tokyo imposed additional restrictions on South Koreans seeking entry into Japan. Subsequently, Seoul imposed similar restrictions.

These restrictions have not produced any new obstacles to bilateral trade, but it could indicate rising tension and further complicate efforts to resolve an existing trade dispute between the two countries that began last summer.

Incentives to companies to continue operating:

On March 19: The supplementary budget passed on March 17 contains funding for a wide range of programs to provide loans and other types of assistance to distressed firms and their employees.

Main sources of information

— Ministry of SMEs and Start-ups: https://www.mss.go.kr/site/eng/main.do

Highlighted in yellow = changes or additions as at 30 March 2020

Thailand (1/6)

Contacts:
Tax: John Andes – jandes@kpmg.co.th

Personal Income Tax

— Tax deduction for health insurance from 15,000 to 25,000

— Tax exemption of risk associated costs for medical personnel

Business Income Tax

— WHT imposed on payment for services, hire of work, certain commissions, and professional fees will be reduced from 3% to 1.5% for the payments made from April 1, 2020 to September 30, 2020. The WHT will subsequently be reduced to 2% from October 1, 2020 to December 31, 2021 if the payment is made electronically.

— Eligible small and medium enterprises (SMEs) can claim a 150% deduction for interest expenses incurred on loans obtained under a funding initiative to provide THB 150 billion in soft loans to SMEs with an interest rate of 2% for the first two years

Filing/Payment Deadline Extension

— The filing deadline for individual income tax returns (form PND.90/91) is extended from March 31, 2020 (or April 8, 2020 for e-filings) to Aug 31, 2020.

— Corporate Tax PND.50 filing extended from 1 Apr – 30 Aug to within 31 Aug and PND.51 from 1 Jul – 29 Sep to 30 Sep

— VAT, SBT, and other tax filing extended by 1 month for affected businesses (those put under closure and other affected businesses considered under MOF discretion)

— Tax filing extension for entrepreneurs within Oil and Gas industry, including retail, to conduct tax filing within the 15th of the month after products are transferred out from factories. The extension covers from Apr to Jun 2020

— Tax filing extension for businesses in entertainment industry (nightclub, disco tech, pub, bar, cocktail lounge, extensively to restaurants with live music and closing time after 24:00, bathing houses and massage, and other related businesses such as horse gambling and golf club) to conduct tax filing within 15 Jul 2020

Thailand (2/6)

Payroll Tax

— SMEs employers can deduct 100% of eligible salary costs paid to employees in the period from April 2020 to July 2020 for corporate income tax purposes.

VAT

— VAT payers participating in the “good exporter” program will receive VAT refunds faster than usual. VAT refunds will be granted within 15 days (compared to a normal 30-day period) if VAT returns are filed via an e-filing system and within 45 days (compared to a normal 60- day period) for paper filings.

Customs

— Custom exemption for imported goods related to curing, diagnosis, or prevention of COVID-19 until 30 Sept 2020

Tax and fee ease measure for debt-restructuring participants

— PIT and CIT exemption for debtor for income resulted from debt paid

— PIT, CIT, VAT, SBT, and Stamp Duty for debtor and creditor on income resulted from asset transferred, asset sold, or service offered and other instruments for the purpose of debt restructuring

— PIT, CIT, SBT, and Stamp Duty for debtor on income resulted from immovable property transferred as a mortgage collateralised for creditor for others aside from the creditor, and other instruments associating with the transfer.

— Relax regulations relating to non performing loans written off by creditor.

Thailand (3/6)

Liquidity boosting for Entrepreneurs

— Soft loans not exceeding THB 3 mn per business, 3% interest rate for the first 2 years

SME Loan Restructuring

— Pre-emptive measure against NPL through interest reduction and extensive payment period. This to avoid being classified as Troubled Debt Restructuring (TDR), Credit Bureau, and to be classified as ordinary loan

— Loan Restructuring for NPL to promote to ordinary loan when loans are restructured, with 3 consecutive instalments paid off (from 12 instalments)

— Measures to support FIs and SFIs in classification of liquidity loan as ordinary loan (ordinary T&C and lower interest rate)

— Measures to support FIs to maintain unused credit lines

— Financial Institutions to closely monitor and monthly report milestones according to the measures, including outstand loans for SMEs, 21 days after the end of each month

Adjustment in roles of Financial Institutions and Banks

— Encourage restructuring on performing loans to prevent NPLs

— Consider extending payment terms, including payment period and interest rate

— Adjust/terminate penalty charges

— Consider other supportive measures for SMEs using credit cards and personal loans for liquidity due to high interest burden

— Determine framework on loan restructuring with various debtors

Measures to adjust/lower fees structure

— Prepayment penalty charge for SME loan and personal loan

— Default payment on mortgage, SME loan, and personal loan

— ATM and debit card fees

Thailand (4/6)

Liquidity boosting for labour in affected industry

— Cash support of THB 5,000 for 3 months starting Apr to Jun 2020 for labour, temporary workers, freelance not registered under Social Security System (SSS). Individuals under SSS will received 50% of previous salary if the employer temporary halt employment

— Special loan of 10,000 per person, 0.1% interest rate, no collaterals needed

— Special loan of 50,000 per person, 0.35% interest rate, collaterals required

— Loans to government pawn shops to further boost liquidity for lower income citizens

Measures on Credit card and small loans

— For commercial banks and SFIs: extend principal and interest payment for 3 months

— For other financial institutions, choose between: Extend principal and interest payment for 3 months or reduce instalment amount at least by 30% for 6 months

Thailand (5/6)

Liquidity boosting for labour in affected industry (Continued)

— Hire purchase: Motorcycle loan amount net exceeding THB 35,000 and Other vehicle loan amount not exceeding THB 250,000. + Leasing with outstanding loan not exceeding THB 3 mn.

Measure: Extend principal and interest payment for 3 months or Principal payment freeze for 6 months

— House loans amount not exceeding THB 3 mn and SME loans, microfinance, and nanofinance amount not exceeding THB 20 mn

Measure: Principal payment freeze for 3 months and consideration for reduction in interest per customer

Measure to enhance skill for labour

— Seminar to enhance career skills or to arrange social activities

Measures on stabilization of bond market

Supportive liquidity for mutual funds (Mutual Fund Liquidity Facility):

—The Bank of Thailand will set up a specific mechanism which will ease liquidity to commercial banks that buy investment units of COVID-19-affected mutual funds in Money market fund and Daily fixed income fund, thought collateralisation of investment units for liquidity. The Bank of Thailand will continue the mechanism so until the market turns as usual

Supportive capital market for affected businesses

—The Thai Bankers' Association, Government Savings Bank, Insurance companies, and Government Pension Fund, together, will establish Corporate Bond Liquidity Stabilization Fund (BSF), amounting THB 70 to 100 bn, to inject liquidity via bond rollover

Supportive measures to safeguard against Government bonds' volatility

—The Bank of Thailand will execute measures to stabilise government bonds, ensuring smooth, effective, and liquid market

Thailand (6/6)

Measures on stabilization of bond market (Continued)

Measures regarding submission of information for public limited companies

— SEC to discuss with Federation of Accounting Professions for the relaxation in impairment rules for listed companies

— SEC has discussed with Department of Business Development for the relaxation on restrictions involving annual general meeting (AGM). SEC allows for AGM to be conducted online or committees may use delegation

— Listed companies and other issuers, which are affected by the epidemic of COVID-19 and could not delegate an auditor due to postponement of annual general meeting, may themselves delegate a SEC-approved auditor, whom shall audit the Q1/2020 of the companies and submit financial statements. However, the company shall submit the auditor for approval in the next AGM.

Measures regarding submission of financial statement for limited companies and partnerships

— Partnerships and registered companies with financial year ended between 31 Oct 2019 to 31 Mar 2020 may submit their financial statement within 31 Aug 2020 (Additional submission of meeting-postponement letter required for limited and public limited companies)

Main sources of information

— Thailand: Tax relief measures in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-thailand-tax-relief-measures-in-response-to-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Vietnam (1/1)

Contacts:
Tax: Thuy Duong Hoang – dthoang@kpmg.com.vn
Restructuring: John Ditty – jditty@kpmg.com.vn

General information

— Vietnam plans to assist companies struggling amid the coronavirus outbreak with tax breaks, delayed tax payments and reductions in land lease fees.

— The assistance package totals USD 1.16 billion.

— Several commercial banks have already lowered interest rates for businesses affected by COVID-19.

— Textiles businesses, including several with no prior experience, have begun producing antibacterial masks after authorities announced a daily need of 10 million.

— Central Bank has reduced policy rates by 0.25-1 percentage point.

— A credit support and fiscal package of 280 trillion VND ($12 billion) together. The former includes measures such as debt restricting and preferential interest rates, while the latter is likely to include a variety of tax breaks but this has not been confirmed.

— Suspension of social insurance payments for businesses affected by the outbreak.

Main sources of information

— Ministry of planning and investment: http://www.mpi.gov.vn/en/Pages/timkiem.aspx?Keyword=Covid

Americas

Highlighted in yellow = changes or additions as at 30 March 2020

Argentina (1/2)

Contacts:
Tax: Rodolfo P Canese Mendez – rcanese@kpmg.com.ar
Restructuring: Andrea Oteiza – aoteiza@kpmg.com.ar

Monetary policy

Will remain expansionary as the administration focuses on boosting growth.

Fiscal policy

The administration announced a number of measures to fight the slowdown targeted at poorer consumers (estimated cost of 2% of GDP). This includes a special bonus for people who receive the lowest pensions as well as for people with children. Also increased assistance to food banks including at schools, and more resources for social programs reaching over 9 million people. Credit payments to the government will be suspended in April and May. Price ceilings have been established for essential products including food and sanitary products.

Decreto 300/2020 sets forth the following tax relief measures for companies that are employers and that provide healthcare-related benefits:

— 95% reduction of employer contributions to the social security system

— 59% reduction of the bank credit tax

— 17% reduction of the bank debt tax

The measures in the decree are valid for 90 days from the date of publication in the official gazette, 20 March 2020.

Labour policy

Fernandez announced that the administration will partially cover salaries for companies that need to stop operations. Expansion of unemployment benefits. Labour license for vulnerable populations including people over 60.

Trade restrictions

Fernandez has imposed trade restrictions including required pre-authorizations to export medicine and medical equipment.

Incentives to companies to continue operating

Credit programmes for industries that are being hard hit as well as food suppliers at preferential rates. ARS 350 billion (USD 5 billion).

Expansion of Ahora 12 programme which provides incentives for consumption of national products through online platforms. The government will suspend employer contribution requirements for companies in hard-hit industries.

Highlighted in yellow = changes or additions as at 24 March 2020

Argentina (2/2)

Health Emergency

Export of oxygen therapy devices

— Decree 301/2020 establishes that export of oxygen therapy devices need the previous approval of the Ministry of Productive Development and the Ministry of Health, as long as the health emergency declared by Law 27.541 lasts.

Measures to reduce the circulation of people and the spread of coronavirus

— Most public bodies declared judicial/administrative non-working days. This includes the Supreme Court, federal courts, Federal Tax Court, Federal Tax Authority (AFIP), etc. Most provinces (Buenos Aires, Buenos Aires City, La Pampa, Chubut, Corrientes, Chaco, Tucuman, Formosa, Catamarca, Santiago del Estero, Jujuy, Cordoba, Salta) have adopted similar measures. As a result, deadlines for procedures before these bodies (e.g. tax litigation) have been extended. The recess ends sometime between March 31st and April 10th, depending on the jurisdiction. This does not affect the obligation of taxpayers to declare and pay taxes normally.

— Digitalization. Resolution AFIP 4685/20 intends to make possible, and mandatory up to June 30th 2020, that certain procedures are carried out in a digital way. These processes normally require physical attendance or the presentation of hard copies and include the request of exemptions certificates for withholding tax (income tax and VAT) or VAT refunds for exports, among others.

Tax Relief

Private health providers

— Decree 300/2020 of the Executive Power establishes a tax relief for companies that are employers and that provide healthcare-related services. It consists of a 95% reduction in employer contributions to the Social Security System, a 59% decrease for the Bank Credit Tax and a 17% for the Bank Debt Tax. It was published on March 20th and is valid for 90 days.

Main sources of information

— Argentina: Tax relief for companies, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-argentina-tax-relief-companies-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Bolivia (1/2)

Contacts:
Tax: Sergio Ruiz-Mier – sruizmier@kpmg.com

Corporate income tax measures implemented

— Deduction of donations in cash destined for the prevention, diagnosis, control, attention and treatment of the COVID-19 in favour of authorized public and private health centres, made until the December 31, 2020, up to 10% of the taxable net profit gathered from the January 1 to December 31, 2019.

— Payments for corporate income tax deferred until May 29, 2020.

— Monthly payments of up to 3 months with the 50% of the initial payment until before the 1st of June 2020, without the charge of Value Maintenance, Interests and/or Warranties

Transactions tax measures implemented

— Increase of the proportion of the payment on account of the IT for the payment in cash of the IUE until the 15th of May 2020, of the following taxpayers of the General Regime:

- GRACOS (Great Taxpayers) and PRICOS (Main Taxpayers) applying a factor of 1:1.1
- Taxpayers categorized as Resto applying a factor of 1:1.2

— Reduction of the IT tax base, excluding the effectively paid VAT by the following taxpayers of the General Regime:

- GRACOS (Great taxpayers) and PRICOS (main taxpayer) for 3 months.
- Taxpayers categorized as Resto for 6 months

Value Added Tax measures implemented for Independent professionals

— Extension of the VAT tax credit until the 31st of December 2020 for the expenses in health, education and alimentation from their direct familiar nucleus:

Other Dispositions

— Emergency Declaration, moment in which they will be reinitiated automatically:

— For the presentation and processing of Alzada and Jerarquico appeals on the Authority of Tax Objection.

— For the beginning and processing of determinative and sanction processes in charge of the National Tax Service and National Customs, suspending expressly the terms of notification for Determinative, Sanction, administrative Resolutions, or other definite objectionable acts. This does not include the beginning of tax inspections and verifications programmed by the Tax Administrations.

Bolivia (2/2)

Main sources of information

— Bolivia: Tax relief measures in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-bolivia-tax-relief-measures-response-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Brazil (1/2)

Contacts:
Tax: Ericson G Amaral – eamaral@kpmg.com.br
Restructuring: Alan Riddell – ariddell@kpmg.com.br

On 16 March, the government announced a USD 30 billion package of emergency measures, including an deferral of company taxes, with further measures with regard to SMEs announced on 17 and 18 March. The package includes:

— PROGER/FAT: credit for Micro and Small Firms (USD 1 billion);

— Salaries: the government is set to pay part of the salaries incurred by micro and small companies;

— Employment contracts: possibility to suspend employment contracts;

— Payment of federal taxes: To provide liquidity to companies, the government is considering postponing firms' payment of federal taxes for two or three months;

— FGTS: deferral payment term for 3 months USD 6 billion;

— Contributions from "Sistema S": 50% reduction in contributions for 3 months (USD 0.4 billion);

— Workers with Covid-19: the government will pay for the first 15 days of leave of the worker who is identified with the Covid-19;

— Caixa: The state-owned Federal Savings Bank will extend USD 14.9 billion in credit lines to small-and medium-sized firms aimed at working capital, purchase of payroll loan portfolios from medium-sized banks and agribusiness. The bank also cut interest rates on some types of credit and offered clients a grace period of 60 days;

— Banco do Brasil announced a USD 20 billion increase in its credit lines, aimed at working capital, investments, prepayment of receivables, agribusiness and credit to individuals. The bank also increased the credit limit for 13 million customers;

— BNDES: opening of a working capital loan line for small and medium-sized firms of tourism and service sectors;

— Credit contracting requirements: simplification and waiver of documentation (CND) for credit renegotiation;

— Capital charge relief: Lending and credit support through capital charge relief to loans secured by commercial real estate; and credit charge relief to retail exposures, to non-significant investment in the capital of financial institutions and insurance entities and to exposures secured by covered bonds issued by the own bank;

Brazil (2/2)

— Restructured loans: Increased flexibility of the provisioning rules for a period of 6 months;

— Conservation Capital Buffer (CCB): reduction from 2.5% to 1.25% for 1 year and setting a transitional arrangement to restore the original 2.5% CCB in the subsequent year;

— Febraban: The Brazilian Federation of Banks announced an agreement by which the five largest banks in the country (BB, Caixa, Itaú Unibanco, Bradesco and Santander) are willing to respond to requests for a 60-day extension for the debt maturity of individual and SMEs.

On 18 March, Brazil's Central Bank lowered the benchmark interest rate SELIC by 50 bps to a historical minimum of 3.75%. This follows a reduction of the countercyclical capital buffer requirements.

On 18 March, Brazilian authorities also announced the possibilities for firms to reduce working hours and pay by up to 50% while maintaining the employment link, but there is no compensation for workers for the resulting income losses. Further flexibility for firms will come from extended use of the bank of hours and the possibility to anticipate annual leave, including collective annual leave.

Main sources of information

— Government of Brazil: https://www.gov.br/pt-br

Highlighted in yellow = changes or additions as at 30 March 2020

Canada (1/7)

Contacts:
Tax: Penelope Woolford – pennywoolford@kpmg.ca
Restructuring: AnamiKa Gadia – agadia@kpmg.ca
Sector Executive: Tracey Sanderson - tsanderson@kpmg.ca

Canada has announced new financial and tax measures in response to COVID-19. In addition to extending certain tax deadlines, Canada will provide a variety of financial measures for Canadian individuals and businesses affected by the COVID-19 outbreak. In particular, the CRA will delay tax filing deadlines for individuals to June 1, 2020 and for trusts to May 1, 2020. In addition, all taxpayers that owe income tax balances and income tax instalments on or after March 18, 2020 and before September 2020 will now have until September 1, 2020 to remit these amounts. Further, Canada will provide a temporary wage subsidy to help small businesses retain employees and an Emergency Care Benefit to offer financial support to affected individuals.

On 5 March, the Bank of Canada lowered the policy rate by 50 basis points. On 12 March, the Bank decided to lower rates by a further 50 basis points from 1.25% to 0.75%. On 11 March, Canada announced a 1 billion CAD COVID-19 Response Fund with an emphasis on health.

Business Development Canada (BDC) now offers the following support for entrepreneurs70:

— Small Business Loan of up to CAD 100 000 can be obtained online in 48 hours from time of approval;
— Working capital loan to bridge cash flow gaps and support everyday operations;
— Purchase Order Financing to increase cash flow to fulfil domestic or international orders with very flexible terms.

On 18 March, the Government announced a further CAD 82 billion support package as part of its COVID-19 Economic Response Plan, including CAD 27 billion in emergency aid for workers and businesses and CAD 55-billion in tax deferrals.

Filing/Payment Deadline Extension

The Government announced that businesses may be able to make flexible arrangements with the Canada Revenue Agency (CRA) if the businesses face difficulties related to COVID-19 when they are trying to meet their payment obligations (further details are not yet available).

Tax payment relief

— Businesses will be able to defer payment of any income tax amounts until September 1, 2020. This deferral applies to tax balances and instalments that are owing on or after March 18, 2020 and before September 2020. These amounts will not be subject to interest or penalties during this period. This payment relief applies only to income tax payments, and does not apply to other payments such as GST/HST and employer payroll remittances.

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Canada (2/7)

Temporary wage subsidy for small businesses

— Small employers may be eligible for a temporary wage subsidy to help prevent lay-offs. This subsidy, which will be available for three months, will be equal to 10% of remuneration paid during that period, up to a maximum subsidy of $1,375 per employee and $25,000 per employer. Businesses will be able to benefit from this support now by reducing their remittances of income tax withheld on their employees' remuneration. This measure applies to corporations eligible for the small business deduction, as well as non-profit organisations and charities.

Increasing credit

As announced on 13 March, a new Business Credit Availability Program will provide more than CAD 10 billion of additional support to businesses experiencing cash flow challenges through the Business Development Bank of Canada and Export Development Canada. The Government is ready to provide more capital through these financial Crown corporations;

Launch of an Insured Mortgage Purchase Program

In order to purchase up to CAD 50 billion of insured mortgage pools through the Canada Mortgage and Housing Corporation (CMHC), as announced on 16 March. The Government will enable these measures by raising CMHC's legislative limits to guarantee securities and insure mortgages by CAD 150 billion each.

The six largest financial institutions in Canada have made a commitment to work with personal and small business banking customers on a case-by-case basis to provide flexible solutions to help them manage through challenges, such as pay disruption due to COVID-19, childcare disruption due to school or day care closures, or those suffering from COVID-19. As a first step, this support will include up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products.

Canada (3/7)

Quebec has announced additional delays to certain tax filings and payments due to the COVID-19 outbreak:

— Following a previous announcement, Quebec has now agreed to introduce further delays to these deadlines to harmonize with new federal changes, and has additionally announced that partnerships will now have until May 1, 2020 to file their information return for 2019.

— As a result of this new announcement:

— Corporations that have instalment payments or tax payments due between March 17, 2020 and July 31, 2020 will have more time to make these payments, at a date to be announced at a later time.

— The deadline for individual income tax returns is extended to June 1, 2020 (from April 30, 2020).

— An individual's tax and contribution payments will be extended to past August 31, 2020 (from April 30, 2020);

— The deadline for partnerships informative returns is extended to May 1, 2020.

— For a trust that has a tax due date on or before March 30, 2020 for its 2019 tax return, the payment due date will be extended to past August 31, 2020.

— The balance due date for tax instalments and taxes payable is extended to at least July 31, 2020 for individuals, individuals with business income, and trusts..

Quebec further announced on March 19, 2020 that it will harmonize with the federal government concerning its measure to reduce by 25% in 2020 the amount of mandatory withdrawal from a registered retirement income fund (RRIF).

Canada (4/7)

Saskatchewan's Minister of Finance, Donna Harpauer, delivered a scaled-back version of the province's 2020 budget estimates on March 18, 2020. These estimates come in the wake of Saskatchewan's decision to postpone the release of its full 2020-21 provincial budget due to the COVID-19 pandemic and its related economic consequences.

The estimates anticipate government expenses of $14.15 billion in 2020, but do not provide revenue estimates. The estimates do not include any changes to the province's personal or corporate tax rates for the current year. However, this release does refer to:

— A three year extension to the non-refundable Manufacturing and Processing Exporter Tax Incentive,

— A new PST rebate for new home construction

— A new PST registration requirements for certain e-commerce platforms and new incentives to support pipelines and the chemical fertilizer sector, among other changes.

Saskatchewan also announced penalty and interest relief for tax filings directly affected by COVID-19, in a separate press release.

Administrative tax changes

Interest and penalty relief for businesses

— New tax filing relief for businesses directly affected by the COVID-19 outbreak was announced in a Saskatchewan information notice released March 17, 2020. Specifically, businesses unable to file their provincial tax returns by the due date may submit a request for relief from penalty and interest charges on their affected returns. Penalty and interest waiver requests can be submitted electronically through the Saskatchewan eTax Service,

Corporate tax changes

Extension for Manufacturing and Processing Exporter Tax Incentive

— The budget estimates propose to extend the non-refundable Manufacturing and Processing Exporter Tax Incentive by three years to 2022 (from 2019). This tax credit is available to eligible corporations that expand the number of manufacturing and processing related full time employees above the number employed in 2014. Eligible businesses must derive at least 25% of revenues from the export of their manufactured goods to the rest of Canada or internationally each year, among other requirements.

Canada (5/7)

Employers — Managing Tax & Legal Issues During COVID-19

Employers should ensure they take appropriate steps to manage their employee issues during the COVID-19 outbreak. During this time, employers may want to look at their options to avoid laying off employees, including considering several government programs that are in place to assist employers in this situation. In particular, the government recently announced that it would enhance some programs to assist businesses. However, in situations where employers decide to initiate temporary lay-offs, they should consider important related legal issues related to payroll and employment law. Employers who may need assistance navigating their options and requirements at this time should reach out to our team of tax and legal professionals.

Work-Sharing program

Employers who are directly or indirectly affected by a downturn in business caused by COVID-19 may want to consider whether they qualify for the federal Work-Sharing program. This program, which provides EI benefits for eligible employees as income support is designed to help eligible employers avoid layoffs during certain temporary

reductions in business activity, such as the COVID-19 outbreak. To qualify, employers must generally:

- Have been in business in Canada year-round for at least two years
- Be a private business, publicly-held company or a not-for-profit organization
- Demonstrate that the shortage of work is temporary and beyond their control
- Demonstrate a recent decrease in business activity of approximately 10%
- Submit and implement a recovery plan designed to return the Work-Sharing individuals to normal working hours by the end of the program.
- The program allows employers to reduce an employee's work schedule as follows:
- The program must last between six weeks and 76 weeks (the duration of the program was recently increased from a maximum of 38 weeks as a result of COVID-19).
- A reduction between a minimum of 10% (one half day) and a maximum of 50% (three days).
- In any given week, the work reduction can vary depending on available work, as long as the work reduction on average is between 10%-60% for the duration of the program.

Canada (6/7)

Supplemental unemployment benefits

Employers may also take action to top up an employee's EI Sickness Benefits. Specifically, employers may establish a Supplementary Unemployment Benefit (SUB) plan for this purpose during a period of unemployment due to a temporary layoff for, among other things, sickness. Employers considering this plan should register a qualifying SUB plan with Service Canada, or else the benefit will be treated as income, and any EI benefits received may be reduced.

Temporary layoffs — Employer obligations

Employers may choose at this time to temporarily lay off employees and cease compensation, where allowed under the relevant law. In this case, the employer and employee treat the employment relationship as ongoing, despite this interruption of the employee's work term, with the understanding the employee may resume working, in an equivalent position and on the same terms, in the future. Employers considering this course of action should remember that the rules in this area can vary significantly by province, including what constitutes a temporary layoff, how long such layoffs can last, and whether employers must provide advance notice.

Generally, layoff periods are unpaid, unless otherwise provided under an employment agreement, company policy or collective agreement. However, employees may qualify for Employment Insurance under new eligibility criteria put in place by the federal government for COVID-19. However, employees may volunteer to use vacation time they are entitled to during a temporary layoff period and continue to receive pay. In addition, most employers are not legally required to continue benefit contributions during temporary layoffs, subject to certain provincial requirements. Employers should seek legal advice to determine the obligations they must comply with for their own particular situation.

Another important consideration in this area is that many provinces have different legal requirements that apply to group/mass termination. In some cases, these rules can also apply to temporary layoffs.

Canada (7/7)

Main sources of information

— Canada: Extended tax deadlines, other tax relief (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-canada-extended-tax-deadlines-other-tax-relief-covid-19.html

— Canada: Extensions of time for tax return filings, tax payments in Quebec: https://home.kpmg/us/en/home/insights/2020/03/tnf-canada-extensions-time-tax-return-filings-payments-quebec-coronavirus.html

— COVID-19 — Tax Deadline Delay and More Relief Announced: https://home.kpmg/ca/en/home/insights/2020/03/covid-19-tax-deadline-delay-and-more-relief-announced.html

— Canada: Managing tax and employment issues in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-canada-managing-tax-and-employment-issues-in-response-to-coronavirus.html

— Prime Minister of Canada: https://pm.gc.ca/en/news/news-releases/2020/03/18/prime-minister-announces-more-support-workers-and-businesses-through

— Business Development Bank of Canada : https://www.bdc.ca/en/pages/special-support.aspx?special-initiative=covid19

Highlighted in yellow = changes or additions as at 30 March 2020

Chile (1/2)

Contacts:
Tax: Rodrigo Stein – rodrigostein@kpmg.com

An existing programme of targeted subsidies to firms undergoing hardship will be extended to firms in the tourism sector, starting in April 2020. Furthermore, authorities announced they are elaborating a further plan to support SMEs in the tourism and other services sectors. The Chilean Central Bank announced on 16 March it would lower interest rates from 1.75% to 1%.

The government will allocate US$11.75 billion to address the economic crisis caused by the Coronavirus.

Employment protection

— Labour flexibility for the reduction of working hours: The unemployment insurance can be applied, without term of contract, in case of not being able to go to work due to force majeure

— Employment protection: it will allow the reduction of working hours, compensating the decrease in remuneration with unemployment insurance funds.

Tax relief

— Abolition of the monthly provisional payments (PPM) for the second quarter of the year.

— Voluntary postponement of the payment of VAT for 3 months for all companies with sales under UF 350,000.

— Advance income tax refund for SMEs (April).

— Postponement of income tax for SMEs until July 2020

— 0% Stamp Tax for the next 6 months.

— Postponement of the payment of the quarterly quota of the contributions for companies with sales lower than 350,000 UF

— Relief for the payment of debts with the General Treasury of the Republic for SMEs and people with lower incomes.

More liquidity for SMEs-Cash payment of all invoices issued to the State, in early April

— Expansion of State guarantees for loans to micro, small and medium enterprises.

— New capitalization plan of Banco Estado for an amount of US$500 million to provide loans to SMEs

Highlighted in yellow = changes or additions as at 30 March 2020

Chile (2/2)

Contacts:
Tax: Rodrigo Stein – rodrigostein@kpmg.com

Main sources of information

— Plan de Acción por Coronavirus: https://www.gob.cl/coronavirus/plandeaccion/

— Ministros de Economía: https://www.economia.gob.cl/2020/03/06/ministros-de-economia-rr-ee-y-trabajo-anuncian-medidas-multisectoriales-para-contener-efectos-del-covid-19-en-chile.htm

Highlighted in yellow = changes or additions as at 30 March 2020

Colombia (1/7)

Contacts:
Tax: Ricardo A Ruiz – ricardoaruiz@kpmg.com

Labour measurements

With Circular Letter No. 0021 of March 16, the Ministry of Labor recommended to adopt the following measures as a tool against the crisis caused by COVID-19:

— Work at home: for any economic sector without the compliance of the requirements of telecommuting.

— Telecommuting: the requirements and conditions of telecommuting that are regulated in Lay 1221 of 2008 must be fulfilled.

— Flexible working hours: employers can modify working hours in order to protect their employees.

— Annual, anticipated and collective vacations: the employer can grant vacations to its employees, remembering that can grant them before employees have caused the right to them.

— Paid leave – salary without service provision: the employer can grant their employees leaves and pay for the time that it lasts.

The Ministry of Labour indicated that they will not grant authorizations for collective dismissals or suspensions of employment contract, in cases that require their authorization by law.

Although the Ministry of Labour will not authorize collective dismissals, it is worth noting that dismissals without fair cause proceed, provided that the limit imposed by law is respected so as not to be classified as collective dismissal.

Regarding the suspension of the contract by fortuitous event or force majeure, the Ministry of Labor stated that the determination of the configuration or not of a force majeure or fortuitous event for the suspension, corresponds to the labor judge, who must determine its existence. The definition of labor disputes corresponds to judicial instances.

Colombia (2/7)

Immigration measurements

The following are the new measures taken by Colombian Immigration authorities:

— Suspension of the terms of validity of the safeguards of permanence until May 30 or more if necessary.

— Migración Colombia will be able to grant an opportunity for amendment and not to carry out administrative processes if foreign citizens did not register their visas or applied for their foreigner ID in the stipulated terms.

— Suspension of the counting of the days of temporary residence permits and extensions of residence until May 30 or more, if necessary.

— Suspension of the counting of days of the Special Permits to Stay.

— Suspension of the term of the validity of the Permits for other activities (POA) until May 30 or more if necessary.

The national government suspended the entry of foreign passengers into Colombian territory for a period of 30 calendar days from March 23, 2020.

From March 17th, Colombia has closed its land and fluvial borders until May 30.

Visas application abroad (consulates) will be unadmitted until further notice, only courtesy visas applications could be studied.

Extension of deadlines: submission of returns and information

The deadlines for the filing and payment of national tax returns for direct taxes were extended.

Some local authorities have extended the deadlines for the submission and payment of municipal tax returns.

Regarding the tax and exchange information that taxpayers must submit to the national tax authority (National Tax and Customs Direction - DIAN), the deadlines for submitting such information were extended.

Colombia (3/7)

VAT

Concerning VAT declarations, the deadline for paying the tax is extended for taxpayers whose economic activities include: the sale of food and alcoholic beverages for consumption within the establishment and activities of travel agencies and tour operators.

Criteria were established for the recognition and payment of compensation in favour of the most vulnerable population to generate greater equity in the VAT system.

The exemption from VAT on the import and sale in the national territory of certain goods and supplies essential for the provision of medical services to patients with COVID-19 was decreed until 17 April 2020.

Suspension of legal terms

The national tax authority (DIAN) suspended terms in the processes and administrative actions in tax, customs and, exchange matters, from March 19th, to April 3rd.

Some territorial tax authorities have also suspended the terms in the processes and administrative actions in tax matters.

Customs

0% of tariff rate applicable on the importation of some HTS codes related to medicines, medical equipment. Some of the HTS codes are:

2804400000	4015199000	3005903900	5603129000	3906100000	3802100000	342119000	3402121000
3401110000	6210100000	3401200000	6307903000	3402129000	3402139000	3402199000	3402200000
3401300000	9018390000	3402909900	9018909000	3402901000	3402909100	3502901000	3003200000
3926907000	9019200000	4015110000	9021900000	3003901000	3004201900	3004321900	3004491000
4015191000	9402909000	9619009010	9619001010	3004902400	3401191000	3401199000	3402111000
9019200010	9018901000	9018312000	8539210000	2106907900	2501001000	2501002000	2801100000
8528590000	8413919000	4819200000	4818200000	2806100000	2815120000	2827394000	2827491000
4818100000	4803009000	4015901000	3926909090	2828901100	2839190000		
3923509000	3923309900	3906909000	3906902900				

Colombia (4/7)

Customs (continued)

Additionally, a rate of 0% will apply on the importation that will be done by Airlines in charge of the transportation of cargo or passengers. The HTS codes applicable in this case are:

3919909000	7326909000	8518400000	3920209000	3208200000	4819200000	8418999090	3208900000	7318210000	8481100000	3506990000	7318220000
8507909000	3918901000	7326190000	8511909000	5806329000	8419509000	3209900090	7007110000	8421999000	3403190000	7318159000	8428330000
7318290000	8487902000	3917399000	7324900000	8419810000	3210009000	7007190000	8421230000	Among others			
8481809900	7318240000	8483609000	3907309000	3214101000	17009910000	8421310000	3214102000				
3506100000	7318160000	8479899000	3506910000	7312109000	8421399000	3214900000	7312900000				

These determinations will remain in force for six months.

Exportation of goods

The exportation and the re-exportation of some goods needed to cover the emergency related to the COVID-19 are prohibited during six months. The HTS codes covered by this resolution are:

2207100000	3926907000
3004902900	4803009000
3401199000	4818100000
3808941900	4818200000
3926200000	6307903000

Administrative investigations and procedures before the customs authority

As consequence of COVID-19 all the administrative proceeding deadlines related to customs procedures before the customs authority are suspended. This suspension covers between March 19, 2020 and April 3,2020.

Colombia (5/7)

Extension of the terms for the UAP and ALTEX

The term of authorization to be recognized as a Permanent customs user ("Usuario Aduanero Permanente – UAP" in Spanish) and Highly exporting user ("Usuario Altamente Exportadores-ALTEX" in Spanish) has been extended until May 31th, 2020 or until the emergency state has passed. The Global guarantees demands for this kind of users may also be extended.

Continuity measures during the isolation

The principal national ports, such as Cartagena, Buenaventura and Barranquilla will continue with their operations under special measures. In addition, the regulation allows (i) the transportation of goods related to international trading or first aid necessity, (ii) loading of goods related to import operations, (iii) storage and the continuity of import, and (iv) import and export activities.

Priority on the clearance process of certain goods

The perishable goods, medical equipment, and the operations initiated by AEO, will have preferential treatment regarding to the clearance process, this with the objective of giving continuity to the processes of importation and exportation, while the state of emergency remains.

Closure of all the international borders until May 30, 2020.

Measures for corporate matters

- The Colombian Agricultural Institute ("ICA", as per its acronym in Spanish), by means of a Circular Letter, clarified that it will continue to provide its services with certain measurements and protocols set out in such Circular Letter.
- The issuance of the Decree 398 of March 13th, allows companies that have summoned the maximum corporate body to carry out the annual meeting in a presential manner to be able, up to one day before the date of the meeting, to reach the call indicating that the meeting was held in a non-presential manner. The possibility of non-presential meetings also applies to any legal person, without exception, who requires meetings of their collegiate bodies. The External Circular of the Superintendence of Companies issued on March 17th, developed some points of this Decree.

Colombia (6/7)

Measures for corporate matters (continued)

— By means of the Resolution 2020-01-107881 of March 16th, the Superintendence of Companies, ordered the suspension of terms for judicial proceedings of commercial and insolvency proceedings, between March 17th and March 22nd.

— The issuance of Resolution 11790 of March 16th, suspends, from March 17th and until April 30th, the terms in judicial proceedings of consumer protection, infringement of industrial property rights and infringements of competition law that are currently litigated before the Delegate of Jurisdictional Matters of the Superintendence of Industry and Commerce

— By means of the External Circular Letter 100-00003 of March 17, the Superintendence of Companies issued the modification to the timetable for the presentation of financial statements. The deadlines will start on April 14th, and be extended until May 12th, in accordance with the last two NIT digits of the entities required to present the financial statements, this is excluding the verification number. To check the calendar, click here.

— With the issuance of the Decree 434 of March 19th, the Colombian Government extended, until 3 July 2020, the renewal of the commercial registration, RUNEOL and other registrations comprising the Single Business and Social Register (“RUES” as per its acronym in Spanish) with the exception of the Single Registration of Offerers (“RUP” as per its acronym in Spanish). Regarding this matter, the Superintendence of Companies, by means of the Circular Letter 100-000004 of March 24th, clarified that supervised companies that had not convened an ordinary meeting or were unable to hold it, could do so within the time limits laid down in Decree 434.

— By means of the External Circular 001 of March 23rd, the Superintendence of Industry and Commerce clarified that (i) under the Personal Data Protection Act, previous authorization is not required to process personal data when emergency situations arise and that (ii) this kind of data may be handed over to public or administrative entities, as long as they request such information in the exercise of their legal functions.

Colombia (7/7)

INVIMA measures

— The Colombian Healthcare Authority ("INVIMA" as per its acronym in Spanish), by means of the Circular 100-096-20, clarified that certain activities are covered within the exceptions set out in Decree 457 of 2020. Such activities are the following: (i) of the staff attached to the industry for animal benefit, depressed, desposted and conditioners, as well as meat derivative processing factories and other food-producing companies, (ii) transportation of usable and inedible sub-products and (iii) the transportation of animals to factories.

— The INVIMA by means of the Communication 7000- 0278-20 established that it will continue to respond to requests for inspection certificates, for which the upload of information may be made to the e-mails indicated in said Communication. Also, other provisions are issued regarding the inspection of the electronic loading and referral of certificates.

Terms suspension

— The Superintendence of Companies, in a statement of March 24th, extended the suspension of terms for the jurisdictional proceedings that are currently litigated before that entity, in the matter of commercial and insolvency proceedings, until March 31st. This entity had also determined, the suspension of terms in administrative and disciplinary proceedings between March 18th and April 8th 2020, with the exception of proceedings that involve of state contracts.

Terms suspension regarding administrative actions

At the date of publication of this newsletter, some entities, such as the Superintendence of Industry and Commerce, the Colombian Tax Authority, the General Control Office, the Financial Superintendence, the National Agency of Mining, the Ministry of the Interior, among others, had not changed the deadlines for the suspension of terms and administrative actions that we reported last week. However, it is expected that for our next newsletter the dates initially indicated will be amended as of April 13, 2020, at least.

Main sources of information

Colombian Government: https://id.presidencia.gov.co/Paginas/presidenciaco.aspx

Highlighted in yellow = changes or additions as at 30 March 2020

Costa Rica (1/5)

Contacts:
Tax: Álvaro Castro– aacastro@kpmg.com
Sergio García – sgarcia1@kpmg.com

Fiscal Relief Project Due To Covid-19 Act N° 9839

— Moratorium on value added tax, luxury excise tax: taxpayers, during the months of April, May and June 2020 may file the tax return without payment of tax but must pay the tax for the months covered by the moratorium no later than December 31, 2020 or reach a settlement with the Tax Authority.

— Moratorium on partial payments of income tax: ISR taxpayers may not pay quarterly estimated income tax payments to the months of April, May or June 2020. This moratorium does not apply to taxpayers who have a special authorized fiscal period and who must declare and pay the respective income tax in the months covered by the moratorium. All other taxes of the Income Tax Law will remain in force.

— Moratorium on tariffs: Importers registered as taxpayers in the Tax Administration Registry, during the months of April, May and June 2020, may nationalize goods without paying the corresponding tariffs, but must pay the tariffs no later than December 31, 2020 or reach a settlement with the Customs Authority.

— Exemption from VAT on commercial leases for the months of April, May and June, as long as the lessor and lessee are registered taxpayers.

— In effect from March 20th, 2020.

Authorization to Reduce Workdays due to the National Emergency Declaration Act N° 9832

— When the gross income of companies is affected by the Covid- 19 event by at least 20%, in relation to the same month of the previous year, employers may unilaterally reduce by up to 50% the number of hours of the ordinary working day agreed between the parties, as an unequivocal consequence of the Covid – 19 event. The working hours may be reduced by up to 75% when the impact exceeds 60% of gross income.

— The employer must initiate the respective authorization procedure before the Labour Inspectorate of the Ministry of Labour and Social Security, within three business days after the start of the reduction of the workday.

— The bill limits the authorization to reduce labour hours to be temporary, for a period of time up to 3 months, extendable for 2 equal periods in the event in that these circumstances remain, and such circumstances are validated by the Labour Department

— The employer must verify the decrease in his gross income and that said affectation is attributable to the Covid- 19 event by means of a sworn statement signed by the legal representative of the company and authenticated by a lawyer, or by a certified public accountant. This information may be subject to verification by the Labour Inspection.

— For the calculation of unemployment and advance notice, the wages received before the authorization of the reduction of the working day will be considered. For any other calculation of labour rights, the salary actually received by the worker will be taken into account.

— In effect from March 23rd, 2020.

Costa Rica (2/5)

Maximum Commissions of the Card System Act N° 9831“ Enacted.

— The bill "Maximum Commissions of the Card System", was approved this past Saturday by the legislative assembly.

— This law regulates the maximum commissions charged by service providers on the processing of transactions that use payment devices and the operation of the payment card system.

— This law is mandatory for all card system service providers, as well as the entities that provide them with technological support for their commercial purposes, the card brands, affiliates and customers who accept and use payment devices.

— The Central Bank of Costa Rica will determine the maximum exchange fees that issuers may charge, as well as the maximum acquisition fees and maximum limits to other fees and charges established by service providers for the use of payment devices, regardless of its denomination.

— The service provider that does not meet the maximum limits of commissions, established by the Central Bank of Costa Rica for the card system, will be sanctioned with the payment of a fine equivalent to the excess collection that has been made and never less than 200 base salaries.

— Additionally, the offender must return to affiliates all amounts collected that exceed the maximum commissions authorized by the Central Bank of Costa Rica and will be subject to public record.

— The Central Bank of Costa Rica must regulate and carry out the first setting of commissions and maximum charges, as well as their corresponding publication, in accordance with the provisions of this law, within a maximum period of six months, counted from their entry in force.

— In effect from March 21st, 2020.

Costa Rica (3/5)

Customs measures for working from home for Free Trade Zone entities. (In effect).

— The General Customs Administration, through internal communication issued Friday March 20th, established the applicable criteria for the transfer of fixed assets outside the authorized area for Free Trade Zone entities, with the aim of facilitating the work from home of their employees.

— The applicable rules are as follows:

1. It authorizes the transfer of computers and necessary equipment outside the authorized area, for the execution of work functions.
2. The beneficiary companies must carry out a control and registration that details the identification number of the asset, name and identification of the assigned person, as well as the address or place of working from home and communicate it immediately to the corresponding Customs Office.
3. The telecommuting must comply with the provisions contained in Law number 9738 "Law to Regulate Working From Home".
4. The beneficiary companies will be responsible for the damage, theft or loss of equipment that will be removed from the authorized Free Trade Zone area, being obliged to pay the corresponding taxes within 15 days, except in cases of force majeure or fortuitous events.

— The measures will be applied while the National Emergency Decree remains in force.

Costa Rica (4/5)

Amendments to the Health Regulations for the Grant of Licenses and Disability to the Beneficiaries of Health Coverage. (In effect).

— Pursuant to the publication at the Official Journal N° 46 from March 16th, the Social Security Fund Board Members have approved the amendment associated to the new sickness leave, so the term “domiciliary isolation leaves”, can be included within this Ruling, as a result from the sanitary alert derived from COVID-19 spread, as follows:

The Export of Medical Equipment Will be Placed Under Control.

— Pursuant to Directive DGA-003-2020 of March 18th of 2020, the General Customs Administration has placed the export of the following items under control: disposable caps, safety glasses, disposable boots, N95 or FFP2 respirators, disposable surgical masks, level 2 impermeable disposable gowns, latex gloves, automated PCR test systems for the detection of pathogens in biological samples, Dacron swabs.

Central Bank Approves Monetary and Credit Measures

— The Monetary Policy Rate was reduced to 1.25% annually.

— The Interest Rate on one day deposits was reduced to 0.01%

— The Permanent Credit Facility was reduced to 2%.

— The Integrated Liquidity Market Permanent Deposit Facility Rate was reduced to 0.01%

— In addition, the Financial System Supervisory Council (CONASSIF for its initials in Spanish) has adopted measures to protect the grant of credit to the public, including the possibility of renegotiating up to 2 times the conditions of the credit, without affecting the debtor’s credit rating, among others.

Costa Rica (5/5)

National Emergency Decree

— As published in the Official Gazette, Executive Decree N° 42227 – MP- S, the Executive Branch has enacted National Emergency Decree of March 16th of 2020.

— This decree allows all the actions, works and services necessary to solve the emergency, safeguard the health and life of the population, preserve public order and protect the environment.

— So far this has included the closing of schools and universities, shuttering of bars and sporting and entertainment events, gyms and other non- essential business where people congregate. Churches and religious services are also suspended. A ban on traffic from 10pm to 5am until further notice is also in effect and public transportation has been reduced.

— A ban on incoming non- Costa Rican passengers and non- essential air travel has also been placed int effect. Any resident leaving the country will also have their migratory status revoked.

— All public institutions are ordered to operate with no more than 20% of their workforce. All other employees must telecommute

Main sources of information

— Costa Rica: Updated on tax relief legislation, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-costa-rica-updated-tax-relief-legislation-response-coronavirus.html

— Costa Rica: Updates on work hours-reduction, credit card commissions legislation (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-costa-rica-updates-work-hours-reduction-credit-card-commissions-legislation.html

Highlighted in yellow = changes or additions as at 30 March 2020

Dominican Republic (1/1)

Contacts:
Tax: Marco Banuelos – mbanuelos@kpmg.com
Jose Manuel Romero – joseromero@kpmg.com

1. Tax relief in response to coronavirus (COVID-19)

The Dominican tax authority (DGII) has implemented a series of measures that aim to provide tax relief following the coronavirus outbreak and the state of emergency declared by the government

The tax relief measures recently implemented by the DGII include:

— Extending the deadline for filing and paying obligations related to income tax and the "simplified tax regime" (RST) to 30 April 2020 or 29 May 2020 (depending on the type of tax)

— Allowing taxpayers that owe additional tax after having filed their income tax returns, the ability to pay the tax liability in four instalments (interest free)

— Allowing instalment payments of value added tax (VAT) owed for February 2020

— Reducing by 50% the amount of any currently active instalment payment arrangements, duplicating the previously agreed-upon deadlines, as well as the number of instalments

— Providing relief from penalties and interest for taxpayers with outstanding tax obligations

— Ceasing temporarily to apply the corresponding rate from advanced pricing agreements (APAs) for the hospitality industry

2. Main sources of information

— Dominican Republic: Tax relief in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-dominican-republic-tax-relief-response-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Guatemala (1/1)

Contacts:
Tax: Marco Banuelos – mbanuelos@kpmg.com

1. Extension of tax return deadlines, response to coronavirus (COVID-19)

The tax authorities issued guidance extending the deadline for filing certain tax returns in response to the coronavirus (COVID-19) pandemic.

— The income tax return for 2019 and the monthly value added tax (VAT) return corresponding to February 2020 are now due 15 April 2020.

— The deadline for returns corresponding to income tax withholdings is 28 April 2020 and for VAT withholdings is 5 May 2020.

— The tax audit process, information requests, and other procedures are suspended until 15 April 2020.

2. Main sources of information

— Guatemala: Extension of tax return deadlines, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-guatemala-extension-tax-return-deadlines-response-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Mexico (1/2)

Contacts:
Tax: Armando Lara – armandolara@kpmg.com.mx
Restructuring: Federico Hernandez – federicohernandez@kpmg.com.mx

Monetary policy

The central bank will continue making FX interventions, trying to provide liquidity and financial stability in moments of high volatility or sharp peso depreciation.

Fiscal policy

Low oil prices and slow growth will leave limited room for fiscal expansion. Government will cut spending in order to offset lower revenues. Lopez Obrador will remain committed to fiscal prudence.

Labour policy

No changes in labour policy have been announced as a response to the virus. Congress is debating a reform to impose stricter rules on outsourcing. Approval may be delayed due to closure of legislative power due to coronavirus.

Trade restrictions

The government will look to keep prices low opening opportunities to new markets in sectors that could be affected by the disruptions the virus outbreak is causing globally. USMCA has been approved in all three of Mexico, the US, and Canada, and now each country will focus on finalizing the regulatory changes needed for its implementation.

Incentives to companies to continue operating

The administration has yet to release plans for economic measures, but finance ministry officials have hinted it could include credit through development banks to hard-hit industries.

Mexico (2/2)

State and local tax authorities in Mexico are provide tax relief in response to the coronavirus (COVID-19) pandemic.

— The state of Nuevo León on 20 March 2020 extended the deadlines for complying with certain reports or documents requested by the supervisory authorities, as well as the deadline for filing of administrative appeals. The postponement applies from 17 March 2020 to 20 April 2020.

— The state of Mexico has extended the deadline for complying with vehicle taxation, providing that payments of the tax are due now no later than 30 June 2020.

— The federal district of Mexico City (CDMX) announced the extension of certain deadlines for compliance with tax return filings and tax payments to be made during April 2020. The deadline is 30 April 2020. Other rules apply with regards to license and fees.

Main sources of information

— Mexico: State and local authorities provide tax relief (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-mexico-state-local-authorities-tax-relief.html

Highlighted in yellow = changes or additions as at 30 March 2020

Panama (1/4)

Contacts:
Tax: Luis Laguerre – llaguerre@kpmg.com
Jair Montufar – jmontufar@kpmg.com

Adoption of tax measures to alleviate the economic impact arising from the State of Emergency by the COVID-19".

Executive Decree No.251 of March 24, 2020 was published in the Official Gazette, which introduced extraordinary tax measures in order to alleviate the economic impact of taxpayers in Panama as a result of the State of Emergency emerged by COVID-19.

To this end, the Executive Body of the Republic of Panama established the following measures:

Extension of the Term to file the Income tax return for tax year 2019.

An additional period is granted until May 30, 2020 for taxpayers to file the income tax return for the 2019 tax year. However, the possibility to obtain the regular month extension to file, as established in Article 710 paragraph 5 of the Tax Code, is abolished in these cases.

Extension of the term for the payment of taxes during the emergency period.

A term of 120 days is granted from March 20, 2020 (July 18, 2020) to make the payment of taxes that are caused and owed during said term without triggering interest, surcharges and fines. However, the following taxes are exempt from the benefit:

— Income tax withheld to employees;

— Income tax withheld to non-residents;

— ITBMS withheld to non-residents;

— ITBMS withheld by the state;

— ITBMS withheld by local withholding agents;

— Dividend Tax;

— Real Estate tax withheld by banks

Panama (2/4)

Adoption of tax measures to alleviate the economic impact arising from the State of Emergency by the COVID-19 (continued)

Electronic submission of the request for "Non-application of the Alternate Tax Method (CAIR).

All documents required to taxpayers in order to request the Non-application of the Alternate Tax Method (CAIR), in accordance with the provisions of Article 133-E of the Executive Decree 170/1993, are authorized to be submitted electronically without the need to submit them physically at the offices of the Tax Administration.

Reduction of the amount required to declare and pay in relation to the Income Tax Advance.

For tax year 2020, Taxpayers can determine the income tax advance payments in an amount not less of 70% of the period tax determined in the income tax return filed for tax period 2019, without the Tax Administration being able to carry out any type of investigation or verification on said declared amount. On the other hand, the income tax advance payments will be paid in two instalments: i) September 30, 2020, as the first instalment, and ii) and, December 31, 2020, as the second instalment.

Request for "Good Standing Certificate" to taxpayers who keep debts and inconsistencies in their current account.

For 120 days calendar days, the Director of the General Directorate of Revenues was authorized to issue "Good Standing Certificates" to taxpayers who owes taxes or keep inconsistencies in their tax current account, if taxpayers submit the corresponding duly motivated and sustained request to the Tax Administration. On the other hand, DGI and the Social Security Office´s "Good Standing Certificates" will not be required to be filed, if needed, for any procedures related to the General Directorate of Treasury and the General Directorate of Revenues.

It should be noted that the taxpayers who maintain processes for administrative tax evasion or criminal tax fraud, will not be able to apply the benefits granted under this Executive Decree. Similarly, Executive Decree 507 of 2020, which established the curfew in the Republic of Panama, ordered the suspension of all terms within administrative processes, followed by the different government institutions.

Panama (3/4)

Extension of the Tax Amnesty granted by Law 99 of 2019

Last Friday, Law No. 134 of March 20, 2020, was published in the Official Gazette, to amend Law 99 of 2019, about the general tax amnesty for the payment of taxes managed by the General Directorate of revenues, Law 76, related to the Tax Procedure Code among other provisions.

Extension of the term for the payment of taxes due and arising until June 30, 2019

— Condonation of 85% of interest, surcharges and fines for owed taxes arising until June 30, 2019 on payments made between February 29, 2020 and June 30, 2020.

— Possibility to establish a payment agreement with the General Directorate of Revenue for the cancellation of taxes arising until June 30, 2019, obtaining an 85% condonation of interest and surcharges, if the debt is paid in full no later than December 31, 2020.

— The acceptance of the benefits will be made automatically as long as the taxpayers have made a payment aimed to liquidate the debt kept with the General Directorate of Revenues, without the need to use the E-Tax 2.0 system.

Extension of the term to file reports and late affidavits without a fine

On the other hand, the term to file the following forms or reports that should have been submitted by February 29, 2020, is extended until June 30, 2020, without this action causing any fine:

— Donations report

— Non- Tax filer (NGO) report, filed through Form No.27

— Payroll Report, filed using Form No. 03

— Report on the retirement, pension and other benefits funds, filed through Form No. 40

— Insurers report and certification of medical expenses per insured, filed through Form No. 41

— Certification of interest on residential mortgage loans without preferential interest, through Form No. 42

— Purchases and imports of goods report, filed through Form No. 43

— Credit card sales report, filed using Form No. 44

Panama (4/4)

Extension of the Tax Amnesty granted by Law 99 of 2019 (continued)

— Transfer Pricing Report, submitted using Form No. 930

— Individual income tax return, filed using No.1

— Corporate income tax return, filed using Form No.1

— Free Trade Zone income tax return, filed using Form No. 18

The exemption of the fine for the late submission of these reports is subject to the taxpayer compliance with the conditions and commitments of the aid and economic stimulation package issued by the state of emergency following COVID-19, or that they are taxpayers who keep business activities.

Late submission of real estate improvements until December 31, 2020

Finally, the deadline for the late declaration of real estate improvements was extended until December 31, 2020, if taxpayers, during the term of the amnesty, submit the permanent improvements declaration or undeclared improvements before the Public Registry Office by the time the Law is in force. Said improvements must be attached with a sworn declaration before a Notary in which it is stated the date and the amount for which the improvements were built. Once registered in the Public Registry, must be filed before the National Land Authority for its update.

Main sources of information

— Panama: Tax relief, extended due dates for tax returns and payments (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-panama-tax-relief-extended-due-dates-for-tax-returns-and-payments-covid-19.html

Highlighted in yellow = changes or additions as at 30 March 2020

Puerto Rico (1/2)

Contacts:
Audit: Luisette Negron – lnegron@kpmg.com

Filing/Payment Deadline Extension

— Extension of electronic filing period without penalties for the 2019 informative returns due to COVID-19. The period for filing of informative returns corresponding to the 2019 tax year is extended; these informative returns must be completed and filed via SURI no later than April 15, 2020, to avoid penalty assessments.

— Extension of filing period for income tax returns and its corresponding payments.- For pass-through entities and other taxpayers that have income tax returns due during March 2020, the PRTD granted an additional extension of the returns and payments until April 15, 2020 (including the payments due with returns, extensions and estimated income tax due on March 16, 2020).- For taxpayers with income tax returns due on April 15, 2020, the PRTD granted an additional extension of the returns and payments (including the payments due with returns, extensions and estimated income tax) through May 15, 2020.

— Payment plans moratorium. Taxpayers economically affected by COVID-19 and the closure order will not be required to follow the terms of a payment plan between the period March 16, 2020, and April 30, 2020. The PRTD will not be imposing interest and penalties for non-compliance with the payment plans. If there is a notice for interest and penalties, the taxpayer may submit a request to eliminate such charges.

Suspension of Tax Audits

Extension of administrative terms due to COVID-19.

— An additional 120 days, added to the period established in any notification issued by the PRTD of mathematical error or adjustment in returns

— An additional 90 days added to the expiration date for filing administrative complaints and for the presentation of information or documents required by the PRTD's Office of Administrative Appeals when the expiration date falls on a date from March 12, 2020, and later

— Automatic extension of all administrative hearings to be held from March 16, 2020, until June 15, 2020 (thereafter, taxpayers are to be notified of the new date(s))

— An additional 120 days to allow clearance of any debt-review letter issued on or before March 12, 2020

Puerto Rico (2/2)

Main sources of information

— Puerto Rico: Tax deadline extensions, response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-puerto-rico-tax-deadline-extensions-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

United States of America (1/7)

Contacts:
Restructuring: Thomas Bibby – tbibby@kpmg.com

Legislative Response to COVID-19

- *Phase 1* (March 6, 2020)–Coronavirus Preparedness and Response Supplemental Appropriations Act, HR 6074
  - $8.3 billion in aid
  - Initial funding and support for vaccine development
- *Phase 2* (March 18, 2020)–Families First Coronavirus Response Act, HR 6201
  - $105 billion in aid
  - Paid sick leave, unemployment and food assistance
- *Phase 3* (March 27, 2020)–Coronavirus Aid, Relief, and Economic Security Act, (CARES Act), HR 748
  - est. $2.3 trillion in aid
  - Major individual and business assistance and economic stimulus, the largest package addressing COVID-19 to date.

United States of America (2/7)

Tax Administration Response to COVID-19, Federal tax filing and payment deadline extensions

The IRS released two Notices (**IRS Notices 2020-18 *superseding*, IRS Notice 2020-17)** providing certain taxpayers with federal tax filing and payment relief.

- The IRS Notices were issued pursuant to the President's March 13, 2020 "Emergency Declaration" relating to the coronavirus 2019 pandemic.
- Any person with a federal income tax payment or a federal income tax return due on April 15, 2020, is affected by the COVID-19 emergency for purposes of the notice is eligible for filing and payment deadline relief.
- The due date for filing federal income tax returns and making federal income tax payments due on April 15, 2020, is **automatically postponed to July 15, 2020**. Taxpayers do not have to file Form 4868 or Form 7004 to apply for extensions to file their returns.
- There is no limitation on the amount of the payment that may be postponed.
- The relief only applies for federal income tax payments (including payments of tax on self-employment income and estimated federal income tax payments) due on April 15, 2020, in respect of an affected taxpayer's 2019 tax year, and federal estimated income tax payments (including payments of tax on self-employment income) due on April 15, 2020, for an affected taxpayer's 2020 tax year.
- There is no extension provided by the notice for the payment or deposit of any other type of federal tax, or for the filing of any federal information return.
- The relief is extended to any type of taxpayer, such as an individual, a trust, an estate, a corporation, or any type of unincorporated business entity.
- There will be no accrual of interest, penalties or addition to tax for a failure to pay for the period beginning on April 15, 2020, and ending on July 15, 2020. Interest, penalties, and additions to tax with respect to amounts of postponed federal income tax payments will begin to accrue on July 16, 2020.
- Certain states or local governments have offered tax relief on extensions of time to file and to pay upcoming state and local taxes, as well as additional information on matters such as agency shutdowns.

United States of America (3/7)

Legislative Response to COVID-19, Business Tax Provisions

- **Delay in employer and self-employment payroll taxes:** Employers and self-employed individuals may defer payment of the employer share (6.2 percent) of the Social Security tax they otherwise are responsible for paying with a due date after the date of enactment. Fifty percent of the deferred payroll taxes are due on December 31, 2021, and the remaining amounts are due on December 31, 2022.
- **Employee retention credit:** The law provides a refundable payroll tax credit for 50% of "qualified wages" paid by certain employers to employees. The credit is available to eligible employers carrying on a trade or business in calendar year 2020 whose: (1) Operations were fully or partially suspended, due to orders of a governmental entity that were related to the COVID-19 crisis, or (2) Gross receipts declined by more than 50% when compared to the same quarter in the prior year. For employers with greater than 100 full-time employees, qualified wages are wages paid to employees when they are not providing services due to COVID-19 circumstances. For eligible employers with 100 or fewer full-time employees, all employee wages qualify for the credit. The credit is capped at the first $10,000 of compensation, including health benefits, paid to the employee. The credit is refundable to the extent it exceeds the employer portion of social security taxes reduced by the paid sick leave and paid extended FMLA established the Coronavirus Phase 2 legislation. The provision is effective for wages paid or incurred from March 13, 2020 through December 31, 2020.
- **Modification of charitable contribution limit for corporations:** The law increases the limitations on deductions for charitable contributions for corporations who make cash or certain food inventory contributions in 2020 to 25% of taxable income, subject to certain restrictions.

United States of America (4/7)

Legislative Response to COVID-19, Business Tax Provisions cont.

Changes to NOL Rules

- **Suspension of NOL 80% of taxable income limitation for 2018-2020:** The Tax Cuts and Jobs Act imposed a 80% of taxable income limitation on the use of NOLs, which applied to NOLs arising in tax years beginning after December 31, 2017. The law temporarily suspends the 80% of taxable income limitation on the use of NOLs for tax years beginning before January 1, 2021, thereby permitting corporate taxpayers to use NOLs to fully offset taxable income in these years regardless of the year in which the NOL arose.
- **5-Year carryback of NOLs generally permitted for 2018, 2019, and 2020:** The law grants taxpayers a five-year carryback period for NOLs arising in tax years beginning after December 31, 2017 and before January 1, 2021 (*i.e.*, calendar years 2018, 2019, and 2020). Taxpayers may elect to relinquish the entire five-year carryback period with respect to a particular year's NOL, with the election being irrevocable.
- In general, as a result of the law, there are now three buckets of federal NOLs, as shown in the following table:

NOL Generated in Tax Years	Eligible for Carryback	Eligible for Carryforward	Eligible to Offset % of Taxable Income
Beginning on or before December 31, 2017	2 tax years	20 tax years	100% of taxable income
Beginning after December 31, 2017 and beginning before January 1, 2021	5 tax years	Indefinite	100% of taxable income (prior to 2021) 80% of taxable income (after 2020)
Beginning on or after January 1, 2021	Generally, no carryback	Indefinite	80% of taxable income

United States of America (5/7)

Legislative Response to COVID-19, Business Tax Provisions cont.

- **Temporary changes to business interest expense disallowance rules (section 163(j)):** For tax years beginning in 2019 and 2020, the 30% limit on ATI is increased to 50% for corporations. For partnerships, the 50%-instead-of-30% ATI rule does not apply to a partnership tax year beginning in 2019, but (unless a partner otherwise elects out) for any of the partnership's 2019 excess business interest expense that is allocated to a partner under section 163(j)(4)(B)(i)(II): 50% of that excess business interest expense will be treated as business interest that is paid or accrued by the partner in its first tax year beginning in 2020 and will not be subject to the limits of section 163(j)(1). It is thus deductible in such tax year (subject to any other limitations that may apply), and the other 50% will be subject to the limitations of section 163(j)(4)(B)(ii) in the same manner as any other excess business interest so allocated. Taxpayers can elect not to have the 50%-of-ATI rule apply to any tax year.
- Note: For any tax year beginning in 2020, taxpayers can elect to use their ATI from their last tax year beginning in 2019 for their ATI in the 2020 tax year.
- **Corporate alternative minimum tax relief:** The law accelerates the ability of corporations to utilize any remaining minimum tax credits they may have. The law now allows a 50% credit for 2018 and 100% credit for 2019, with an option to elect to claim the entire refundable credit amount for 2018.
- **Relief from loss limitation rules for non corporate taxpayers:** Suspends the excess business loss limitation under section 461(l) for tax years beginning prior to January 1, 2021 (*i.e.*, calendar years 2018, 2019, and 2020)**.**
- **Qualified Improvement Property technical correction: Qualified Improvement Property (QIP) technical correction: The Act modifies the recovery period for** qualified improvement property to 15 years (20 years for ADS). The change allows QIP depreciated at 15 years eligible for the additional first-year depreciation deduction ("bonus depreciation") under section 168(k). Due to the fact that this change is a technical correction to the Tax Cuts and Jobs Act and thus has an effective date of December 22, 2017, it is applicable to assets placed in service after 2017. Qualified improvement property is any improvement to the interior of a non-residential building that is placed in service after the building's initial placed in service date other than improvements attributable to elevators, escalators, building enlargements or the building's internal structural framework.

United States of America (6/7)

Legislative Response to COVID-19, Individual Tax Provisions

- **Recovery rebate credits:** The law provides that all U.S. resident individuals with adjusted gross income up to $75,000 ($150,000 married), who are not a dependent of another taxpayer and have a work eligible social security number, are eligible for the full $1,200 rebate ($2,400 married filing jointly). In addition, they are eligible for an additional $500 per qualifying child, provided the qualifying child has a social security number or adoption taxpayer identification number. The rebate amount is reduced by $5 for each $100 that a taxpayer's income exceeds these phase-out threshold.
- **Changes to charitable deduction rules for itemizers and non itemizers:** The law provides a new "above the line" charitable contribution deduction of up to $300 to individuals who do not itemize their deductions. For individuals who do itemize their deductions, it permits a charitable contribution deduction of up to 100% of their adjusted gross income.
- **Temporary exclusion for student loan repayment benefits from employers:** The law allows employer to provide a tax-free student loan repayment benefit to employees. An employer may contribute up to $5,250 annually toward an employee's student loans and the payment will not be not included in employee income. The provision is effective payments made between the date of enactment and January 1, 2021.
- **Temporary waiver of early withdrawal penalty for certain withdrawals from qualified retirement plans:** The law provides that the 10% penalty for early withdrawal from a qualified retirement account is waived for certain distributions up to $100,000 for certain coronavirus-related purposes, subject to rules regarding taxation and repayment.
- **Temporary waiver of requirement minimum distribution rules for certain plans and accounts:** The law waives the required minimum distribution rules for calendar year 2020 for certain defined contribution plans and IRAs.
- **Single-employer plan funding rules contribution deadline extension:** The law provides single employer pension companies additional time to meet funding obligations. Minimum required contributions to single employer pension plans that would otherwise be due during 2020 may be deposited before January 1, 2021.

United States of America (7/7)

Legislative Response to COVID-19, Excise Tax Provisions

— **Aviation tax "holiday":** The law provides an "excise tax holiday" from the taxes imposed by sections 4261 and 4271 of the Code for amounts paid for transportation by air of persons and property, including amounts paid for the right to award free or reduced rate air transportation. The law also provides an excise tax holiday from the taxes imposed by sections 4041 and 4081 of the Code for kerosene used in commercial aviation, except the Leaking Underground Storage Tank (LUST) tax. This provision is effective upon enactment through December 31, 2020; however, it does not apply to payments made on or before the date of enactment.

— **Temporary excise tax exception related to alcohol used in hand sanitizers:** The law provides a temporary one year exception from excise tax for removals of distilled spirits for use in or contained in hand sanitizer.

Highlighted in yellow = changes or additions as at 30 March 2020

Venezuela (1/3)

Contacts:
Tax: Oswaldo Briceño– obriceno@kpmg.com

General information

Decree number 4.160 was published in Official Gazette N° 6.159 Extraordinary, dated March 13 of 2020 whereby an overall alarm status is declared for the purposes of allowing the Executive to adopt urgent, effective and necessary measures involving the protection and preservation of health of the Venezuelan population, and intended to mitigating and eliminating epidemic risks in connection with the coronavirus (COVID-19) and its potential strands, thereby ensuring timely, effective and efficient care of any cases that may be originated. Amongst these measures to be adopted by the Executive as per the contents of the decree, follow:

— Imposing circulation restrictions (for both car traffic and pedestrians) at certain geographic areas as well as for entering or leaving restricted zones, whenever this may be deemed necessary as a measure for protection against or containment of the COVID-19 coronavirus.

— Ordering employment activity suspension for those job functions that cannot be undertaken via remote (home office), except for certain cases such as domestic public services companies, fuel and lubricants selling establishments, healthcare services, pharmacies, sellers of short-term expiry medication and medical supplies, carbon dioxide (dry ice), oxygen (whether gas or liquid intended for medical facilities), those engaged in activities involving the food distribution chain and availability, the National Port System, those activities relating drinking water supply and transportation of gas for household use and fuels intended for supplying gas stations for land transportation, ports and airports.

— Ordering the suspension of international flights into the Venezuelan territory or departing from the Venezuelan territory for as long as this suspension may be deemed convenient, or whenever there may be a risk of passengers or merchandise arrivals bearing the COVID-19 coronavirus, or whenever such transit may represent a potential risk for virus containment.

The final provisions of the decree establish that the suspension or interruption of an administrative procedure as a result of the activity suspension measures or of the circulation restrictions issued, may not be considered as a cause attributable to the interested party and it may not be alleged as cause for delay or tardiness in the compliance of the obligations of the public administration. In any case, upon the suspension or restriction override, the public administration must immediately resume the procedure.

Venezuela (2/3)

General information (continued)

— Finally, this decree will be effective for 30 days, subject to extension for 30 additional days, until the coronavirus (COVID-19) epidemic and its potential strands containment is deemed adequate, and all contagion factors are duly controlled. This decree will come into full force and effect as of the date of publication in the Official Gazette of the Bolivarian Republic of Venezuela.

Special Regime for credit granted by banking institutions

The Ministry of the People's Power for Economy and Finance, through the Superintendence of the Banking Sector Institutions (SUDEBAN, for its Spanish acronym), shall implement a special payment regime for credits in force and effect in the domestic banking sector, both public and private, under the following guidelines:

— The special regime shall be applicable to any type of credit granted by banking institutions, in force and effect and paid up whether in full or partially by March 13, 2020.

— The payment of both principal and interest will be extended, as well as any restructuring terms and any other clause contained in the respective credit agreements.

— The suspension of payments may be established, entailing payment enforcement and compliance of any other condition relating to the suspended payment, for a term of up to one hundred and eighty (180) days.

— Special conditions of a general nature may be established for certain credit categories.

— Neither delay interest nor the immediate payment enforceability upon any credit may be established at the end of the suspension period.

In addition, credit assignment by banking institutions is instructed under priority terms to the strategic sectors which activities are essential for the purposes of attending the preventive and mitigating measures concerning the overall alarm status decreed by the Executive.

Venezuela (3/3)

Labour

On March 23, 2020 was published the Decree N° 4167 containing the Special Bar Against Dismissals ratifying the special protection against dismissals until December 31, 2020. The Special Bar Against Dismissals means that employers may not dismiss, impair the labour conditions, or transfer a worker without just cause.

Tax

— Few Municipalities granted extensions on filings and payments of municipal taxes that is assessed on gross income from commercial industrial activities.

— Imports made by the public sector to avoid the extension of COVID-19 will be exempt from custom and value added taxes.

— No benefits, extensions or incentives have been announced in relation to direct and indirect national taxes.

Main sources of information

— Government of Venezuela: http://www.presidencia.gob.ve/Site/Web/Principal/paginas/classIndex.php

Middle East

Highlighted in yellow = changes or additions as at 30 March 2020

Israel (1/3)

Contacts:
Tax: Dina Pasca-Raz – dpasca@kpmg.com

On 8 March, the Finance Ministry announced it opened a special loan facility for struggling companies to receive support from the State Guarantee Fund for Small Businesses. The facility is primarily aimed at SMEs that were experiencing cash flow difficulties as a result of the virus outbreak. It provides working capital loans of up to 5 years to a maximum of NIS 500 000 or up to 8% of the last annual turnover, with possibilities to defer payment for half a year. Banks are expected to provide credit approval within nine working days.

On 11 March, the Government announced a further NIS 10 billion support package, doubling the amount available under the loan fund.

On 16 March, the government announced further measures of importance to SMEs, which include (next to measures to enhance access to loans already announced):

— Advance of payments to small and medium government suppliers;
— Extension of deadline for VAT payments to state treasury for all businesses;
— Postponement of National Insurance payments for the month of April, and allowing payments in instalments;
— Postponement of self-employed, small and medium business mandatory payments;
— Postponement of council tax (municipal tax) payments and provision of financial assistance to weak local government, and;
— Special aid grant for self-employed - intended for self-employed with small businesses in anticipation of projected losses due to the decline in economic activity.

Furthermore, a number of other policy measures are currently in place:

— Reducing the level of collateral for businesses (while increasing government guarantees at the same time) in the Small and Medium Business Fund from 25% to only 10% for any business that submits a signed statement regarding damages from the Coronavirus. The fund's credit line will be increased to four billion NIS.

Israel (2/3)

— A support package of 10 billion NIS to SMEs, mostly through the State guarantee Fund to SMEs, to finance working capital in view of cash flow difficulties:

- State guarantees increased to 85% of the loan amount
- Reduced collateral up to 10%
- Longer repayment period up to 5 years
- Shortened loan approval at the bank – up to 9 working days
- Loan up to 500 000 NIS or 8% of the annual revenue (the highest between the two)

— Postponement of VAT, water, social security and health insurance payments.

— Flexible payments for electricity bills.

By order of the Minister of the Interior, municipal taxes will be postponed until 1.5.2020 through a government support for authorities that will be affected by the epidemic.

— Israel's five largest banks, which account for about 99% of overall banking activity, declared a deferment of mortgage and loan payments (with a waiver of deferred payment fees) for the next three months. Israel's largest mortgage bank, bank Mizrahi Tefahot, will postpone payments for four months.

— The same applies for state-funded mortgages.

— As directed by the Accountant General of the Ministry of Finance, the government pays its suppliers within a few days, while the maximum amount of time to refund businesses was reduced from 45 to 30 days.

— Freezing enforcement actions, including new foreclosures and the postponement of outstanding foreclosures.

— Reducing the enforcement of by-laws within certain local administrations vis-à-vis businesses.

— Increased flexibility in the employment market by extending unemployment benefits to employees who are sent on unpaid leave for 30 days or more.

— Promoting local procurement: encouraging residents to buy from local SMEs by local authorities, through investments in marketing within the community.

— Creating a network of local authority' representatives, for peer learning and communicating "field" knowledge to the Ministry of Economy, and vice versa.

Israel (3/3)

Main sources of information

Government of Israël: https://mof.gov.il/AG/FinancingAndCredit/StateGuarantees/Pages/corona-virus-loan.aspx

Highlighted in yellow = changes or additions as at 30 March 2020

Qatar (1/2)

Contacts:
Tax: Barbara Henzen – bhenzen@Kpmg.Com

General information

The General Tax Authority ("GTA") has issued Circular No.5 for the year 2020 Thursday evening, in response to letters received by the GTA, requesting for an extension of the deadline for filing tax returns for the year ended 31 December 2019 (FY 2019).

The GTA has provided an extension of 2 months for filing the tax returns for the FY 2019; whereby 30 June 2020 will now be the deadline to file the said tax returns. The circular has been issued in light of the exceptional circumstances that the State is facing during this period.

Minister of Public Health H E Dr. Hanan Mohamed Al Kuwari and Minister of Municipality and Environment H E Abdulla bin Abdulaziz bin Turki Al Subaie inspected the newly established Umm Slal quarantine compound as part of the precautionary and preventive measures taken by the government against COVID-19. Umm Salal quarantine compound is composed of 32 buildings with capacity for 18,000 beds and will be available once the compound is fully equipped in the next few weeks.

Ministry of Public Health (MoPH) has published new guidelines on the working hours in the Medical Commission Department, starting from next Sunday (March 29)

Sidra Medicine has introduced drive-through collection for dispensing medications at the outpatient building. Patients have to call on 40030030 and confirm their time slot for the collection.

Leading Telecom companies like Ooredoo and Vodafone have contributed to the Government's effort to ensure the safety of people by improving the capacity of the existing infrastructure to ensure everyone is better connected while working from home, focusing on doubling the internet speed without any extra charges.

Qatar (2/2)

General information

MoEHE has announced the use of Microsoft Teams and Learning Management System (LMS) applications to enable schools and education institutions to interact with students and parents and deliver digital content to ensure a smooth educational process during these times of crisis

In addition to traditional hotlines, government entities in Qatar have intensified the use of social media platforms to inform and raise the awareness of both citizens and residents about the measures taken and instructions given to control the spread of the virus within the State. Efforts are also taken to limit the spread of misinformation on these social platforms.

Companies in Qatar started communication campaigns through apps, social media and text messaging to urge their customers to use mobile services and avoid being exposed to infection. Such services include e-Government services via the Metrash application, mobile banking operations through banking applications and web portals, telecommunication services for credit top-ups and contract management, or catering and grocery services via order management and delivery platform.

Main sources of information

Qatar: Two-month extension, tax return filing date (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-qatar-two-month-extension-tax-return-filing-date-covid-19.html

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Saudi Arabia (1/2)

Contacts:
Tax: Wadih Abu Nasr – wabunasr@kpmg.com
Restructuring: Firass Hathout – fhathout@Kpmg.Com

General information

On 14 March, Saudi Arabia announced a stimulus package, including SAR 50 billion (USD 13.3 billion) for SMEs. Under Saudi Arabia's programme, SAR 30 billion will be allocated for banks and financing companies to delay loan payments due from SMEs for six months. The package will provide SAR 13.2 billion to SMEs through bank loans to allow them to continue operations and support growth. SMEs will also get relief from finance costs through a SAR 6 billion loan guarantee programme.

The Kingdom of Saudi Arabia announced measures targeted specifically to provide relief for taxpayers by easing tax return filing and tax payment requirements for a limited time in response to the coronavirus (COVID-19) pandemic.

The General Authority for Zakat and Tax (GAZT) introduced a general extension of three months for filing tax returns and payment the related tax for registered taxpayers. The extensions apply for Zakat, income tax, withholding tax, value added tax (VAT), and excise tax due for the period from 18 March to 30 June 2020 as follows:

— Tax/Zakat: Return filing dates will be postponed until 31 July for taxpayers with a December year-end, certificates will be issued without restrictions for the year 2019
— VAT: Return filing dates for VAT will be postponed until 30 June, 31 July, 31 August, 30 September for the February, March, April, and May periods.
— Excise tax: Payments due on goods imported during the postponement period can be delayed, but the importer must submit monthly temporary returns to GAZT.
— Withholding tax: Filing dates for submission of returns are now due on the 10th of July, August, and September for the March, April and May periods.
— Delay penalties: Taxpayers are exempted from late (delay) penalties for the submission of returns and the associated payments for all taxes (listed above) that fall due within the period starting from 18 March to 30 June 2020.
— Payments suspended: Penalties will not apply for payments of tax that are suspended.
— Refund payments: Refunds due to taxpayers are to be expedited.

Saudi Arabia (2/2)

Monetary Policy:

The Saudi Arabian Monetary Authority unveiled a $13.3 billion package on March 15. The “Supporting Finance for the Private Sector” program will support SMEs through three components: $8 billion to support banks in deferring SME payments for six-months; $3.5 billion to provide concessional financing; $1.6 billion in guarantee provision to support loan-making to small businesses. The final component of the program will support the e-commerce sector, with the provision of a targeted $213 credit facility. A new economic committee has been set up to coordinate and review the programs and incentives put in place by the National development fund, Kafala Program, General Authority for Small and Medium Enterprises, and Saudi Import Export Bank.

Fiscal Policy:

On 20 March, Saudi Arabia announced $18.6 billion in fiscal initiatives. These include an exemption from the expat levy, extending for 3 months without charge. It will also enable employers to refund fees of unused work visas. Finally, it will postpone payment of value added tax, excise tax and income tax, zakat declarations, accept instalment requests.

Labour Policy:

Public sector workers will continue to receive salaries; no other specific policy discussed for private sector workers who have been ordered home for 15 days starting 19 March

Incentives to companies to continue operating:

— Monetary incentives to ease financing has at this point targeted SMEs.

— No fiscal incentives announced yet in terms of tax delays.

— Focus is on keeping businesses shut for next 14 days.

Main sources of information

— Saudi Arabia: Tax relief measures in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-saudi-arabia-tax-relief-measures-in-response-to-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Turkey (1/2)

Contacts:
Tax: Abdulkadir Kahraman – akahraman@Kpmg.Com
Restructuring: Orhan Turan – orhanturan@Kpmg.Com

General information

On 16 March, media reported that Turkey is considering offering tax relief as one of several possible measures to help companies and small businesses cope with an economic slowdown in the face of spreading coronavirus.

On 17 March, the Turkish Central Bank cut its key interest rates by 100 basis points. The bank said it would also provide banks with as much liquidity as they need through intraday and standing overnight facilities.

On 18 March, Turkey launched a 21 point stimulus package (Economic Stability Shield) worth USD 15.4 billion to tackle the coronavirus pandemic. The package includes:

— A three-month deferral of loan payments by companies and will offer additional financial support to affected businesses

— A reduction of VAT on domestic air travel from 18 percent to 1 percent for three months

— Accommodation tax will be cancelled until November

— Social security premiums will be deferred by six months for retail, iron and steel industries, shopping malls, automotive, entertainment and hospitality sectors, food and beverage businesses, textiles as well as event organization sectors

— Stock financing assistance to importers who are affected by the global pandemic.

Monetary Policy:

The CBRT convened an emergency meeting Tuesday, 2 days ahead of its scheduled regular meeting, and slashed its benchmark 1-week repo rate by 1pp to 9.75%. The move takes Turkish real yields deeper into negative territory (annual inflation rate at 12.37%), which is a disadvantage for investors, but will help domestic liquidity.

The CBRT also instituted a host of emergency measures including 91-day repo auctions at a 150bps discount to the benchmark rate, a 500bps cut in FX reserve requirements that should free up $5.1bn for Turkish banks, and repayment delays for rediscount credit (FX loans to exporters) for up to 3 months that could postpone repayments of up to $7.6bn.

Turkey (2/2)

Fiscal policy

— Government pledged a "series of measures“ but hasn't yet unveiled a figure for the potential fiscal stimulus. With debt/GDP at 32% Turkey has a lot of fiscal space, so long as international markets remain open/there is no liquidity crunch. *UPDATED MARCH 19: On March 18, Ankara unveiled a TRY100bn ($15.4bn) economic package comprising tax breaks and deferrals, as well as credit guarantees and delays in loan repayments.

Labour policy

— On March 18 The government unveiled measures to support labour markets, including a doubling of the part-time compensatory work scheme to four months

— to prevent a surge in unemployment while companies cut back on operations.

Trade Restrictions

— Turkey says halting face-mask exports because of domestic needs. Restrictions have been placed on facemask (which can still be exported as long as domestic demand is met). Exports of other items such as medical/ sanitary gloves and medical suits are under review. None others yet.

Main sources of information

— Government of Turkey: https://www.tccb.gov.tr/en/

Highlighted in yellow = changes or additions as at 30 March 2020

United Arab Emirates (1/1)

Contacts:
Tax: Ashok Hariharan – AHariharan@kpmg.com
Restructuring: Bruce Matthews – bmatthews5@kpmg.com

Monetary Policy:

UAE Central Bank cut interest rate to 0.75% but kept repurchasing rates.

Fiscal Policy:

UAE Central Bank rolls out stimulus package of $27bn, and Dubai also added its own stimulus package of $409 million.

Labour Policy:

An extended travel ban has been placed on residents (non-Emiratis) which will have an impact on expat labour if extended for considerable period of time.

Incentives to companies to continue operating

Temporary exemptions on principle payments and interest on loans have been approved for the private sector affected by Covid-19. Efforts are being made to create a banking environment that is more friendly to investors, including first-time property buyers, and boost lending capacity. Numerous exemptions, waivers and rebates to help stabilize above mentioned sectors, plus encourage further investments.

Customs/Import and Other Miscellaneous Taxes

The Dubai Government has announced the following measures:

— A refund of 20% of the customs fee imposed on imported products sold in Dubai

— A 90% reduction of fees imposed on submission of customs documents

— Reduction of municipality fees imposed on sales at hotels from 7% to 3.5%

The Abu Dhabi Government has also announced the suspension of tourism and municipality fees for the tourism and entertainment sectors until the end of this year.

Main sources of information

— UAE: Tax relief included in responses to coronavirus (COVID-19) in Dubai and Abu Dhabi: https://home.kpmg/us/en/home/insights/2020/03/tnf-uae-tax-relief-included-in-responses-to-coronavirus-in-dubai-and-abu-dhabi.html

— UAE: Customs duty refunds, customs relief in Dubai (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-uae-customs-duty-refunds-customs-relief-in-dubai-covid-19.html

Africa

Highlighted in yellow = changes or additions as at 30 March 2020

Algeria (1/1)

Contacts:
Tax: Ramzi Ouali – rouali@kpmg.dz

General information

- Extension of the deadline for the subscription of declarations and the payment of duties and taxes
- Taxpayers under the real estate regime:
  - Postponement of the subscription of the monthly declaration series G n° 50 of February and of the payment of the duties and taxes relating thereto until April 20, 2020.
  - Deferral of payment of tax instalments IRG / IBS until April 20, 2020.
  - Taxpayers, falling under the GD, subject to the obligation of tele-declaration and tele-payment are not concerned by these measures.
- Taxpayers exercising liberal professions: Postponement of the subscription of the monthly declaration series G n° 50 of February (concerning IRG/salaries), until 20 April 2020.
- The Monetary Policy Operations Committee decided to reduce the required reserve ratio from 10% to 8% and to lower the reserve ratio by 25 basis points (0.25%), The key rate of the Bank of Algeria to set it at 3.25% as from 15 March 2020".

Main sources of information

Government of Algeria: https://www.mfdgi.gov.dz/index.php/8-contenu-en-francais/actualites/1625-test

Bank of Algeria: https://www.bank-of-algeria.dz/pdf/communique15032020.pdf

Highlighted in yellow = changes or additions as at 30 March 2020

Egypt (1/1)

Contacts:
Tax: Khaled Balbaa – Kbalbaa@Kpmg.Com

General information

— On 14 March, the government announced a USD 6.4 billion stimulus package.

Key measures taken

— The reduction of natural gas and electricity prices to industries;

— The postpone of repayment of loans for small and medium-sized companies by 6 months and the cancellation of ATM withdrawal fees for the same period;

— The central bank's allocation of 20 billion Egyptian pounds ($1.2bn) to support the country's stock exchange;

— A 3 percent cut in interest rates;

— The increase of the daily withdrawal limits for credit and debit cards by the central bank;

— The grant of an “immediate” financing for the import of key commodities;

— A rate cut of 3% announced by the central Bank.

Highlighted in yellow = changes or additions as at 30 March 2020

Ghana (1/1)

Contacts:
Tax: Emmanuel Asiedu – easiedu@kpmg.com
Restructuring: Daniel Adoteye – dadoteye@kpmg.com

Monetary policy

— The Central Bank of Ghana has taken measures to mitigate the negative impact of the outbreak, which are as follows:

— Cut of key interest rate to 8-year low from 16% to 14.5%;

— Lowering reserve requirements for lenders from 10% to 8% in order to provide liquidity support to critical sectors;

— Decrease in the banks' conservation buffer from 3% to 1.5%, which cuts the capital-adequacy ratio from 13% to 11.5%.

— Besides, the Ghanaian Government asked the IMF for a rapid disbursement of a credit facility to help the country face the negative economic impact caused by the Covid 19 outbreak.

Labour policy

— Nothing concrete has been approved of so far. Workers have been asked to work from home whenever possible.

Fiscal policy

— The Revenue Administration Act (Act 915) provides for taxpayers to apply for extension of time to file and pay tax: an opportunity for extension could be sought for at most two months. No further extension can be granted at this stage and failure to file the tax return will result into penal charges. A lock down will generally not impact the payment of any tax due (as payment can be made through wire transfer). Nevertheless, a lock down might affect the filing of tax returns, which still requires the physical presence at the tax Office.

Incentives to companies to continue operating

— The Bank of Ghana has decided to decrease the cost of fund transfers through mobile money, in order to avoid a low in transactions. Besides, no mobile money transactions below GH100 (USD18) will be charged by service suppliers for the next three months.

Main sources of information

— COVID-19 - Tax Implications: https://home.kpmg/gh/en/home/insights/2020/03/gh-covid-19-tax-implications.html

Highlighted in yellow = changes or additions as at 30 March 2020

Mauritius (1/5)

Contacts:
Tax: Wasoudeo Balloo – wballoo@kpmg.mu

Mauritius Revenue Authority – Wage Assistance Scheme

The Government of Mauritius announced a Wage Scheme Assistance on 23 March 2020. Where companies in the private sector are adversely affected by COVID-19, an application can be made to the Mauritius Revenue Authority ("MRA") for financial support.

Under this scheme, companies will be entitled to receive in respect to its wage bill for the month of March 2020, an amount equivalent to 15 days' basic wage bill for all of its employees drawing a monthly basic wage of up to MUR 50,000 subject to a cap of MUR 12,500 of assistance per employee.

Mauritius Revenue Authority – No penalty and interest for late filing

The MRA has issued a communique on 20 March 2020 stating that taxpayers who are unable to submit returns or effect payment of tax due to the lockdown will not be charged any penalty or interest for late submission or payment. No cut-off date has as of yet been communicated on this grace period.

The head-office of the MRA is closed to the public. However, queries may still be emailed to the MRA as a team of MRA officers are working from home to maintain their services.

Facilities for the electronic submission of tax returns and electronic payment of tax remain available on the MRA website.

Promoting work-from-home policy & tax credits for companies affected by the COVID-19

With a view to promote working from home, the Government introduced a tax reduction scheme in 2018 which gives employers a double tax deduction in respect of emoluments payable to its staff who work from home and a 5% tax credit on the acquisition of information technology system. These measures are transitional and apply only for the period 01 July 2018 to 30 June 2020.

Companies affected by the COVID-19 will also be eligible for certain tax deduction when acquiring plant and machinery during the period 01 March 2020 to 30 June 2020.

Highlighted in yellow = changes or additions as at 30 March 2020

Ivory Coast (1/1)

Contacts:
Tax: Jean-Luc Ruelle – jruelle@kpmg.ci

Measures implemented by the Central Bank of West African States (CBWAS)

On 21 March 2020, the CBWAS took major measures, in order to mitigate the negative impact of the sanitary crisis:

— A FCFA340bn financial help has been granted to commercial banks, so they can sustain the economy;

— 1,700 companies have been granted loans, while they were not eligible so far, so that they can benefit from further resources;

— The West African Development Bank (WADB) will receive FCFA25bn from the CBWAS, in order to lower its interest rate and increase the amount of loans granted to WAMU members, so as to be able to fund the domestic economy;

— To accept to delay financial debt reimbursements, especially for SMEs;

— To decrease the cost of fund transfers through mobile money, in order to avoid a low in transactions;

— To fund commercial banks with enough cash to guarantee a good working of cash machines;

— If necessary, to reorganise the schedule of Treasury bills issuance.

Main sources of information

Government of Ivory Coast: http://www.gouv.ci/Main2.php

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Highlighted in yellow = changes or additions as at 30 March 2020

Kenya (1/2)

Contacts:
Restructuring: Nigel Smith – nigelsmith2@kpmg.co.ke

Monetary policy

On March 23, the MPC cut its policy rate from 8.25% to 7.25% and reduced the cash reserve ratio from 5.25 to 4.25. The central bank states that it ""will ensure that the interbank market and liquidity management across the sector continue to function smoothly.

On 17 March, a central bank order for banks to waive bank fees for individuals who move money between their bank account and mobile wallet came into effect. It has also increased the upper limit for mobile money transfers by SMEs. Both are in a bid to limit contact with physical notes. On 18 March authorities reached a deal with commercial banks to restructure nonperforming loans caused by Covid-19 layoffs etc.

Fiscal policy

Several tax measures have been decided by the Kenyan government in order to cushion the affected individuals and businesses from the negative impact of the Covid 19 outbreak:

— 100% tax relief for low income earners (namely, persons earning gross monthly income of up to KES 24,000 [USD226]);

— Decrease of the top Pay-As-You-Earn (PAYE) rate from 30% to 25%;

— Decrease of the value-added tax rate from 16% to 14%

— Decrease of the resident corporate income tax from 30% to 25%. At this stage, it has not been stated whether this measure is sustained for a number of years after the end of the current crisis in order to assist businesses that have lost their key markets and/or been forced to shut down operations (notably for the tourism industry)

Please note that most of these measures will come into force by April 2020.

Labour policy

Nothing concrete has been approved. Government workers have been asked to work from home where possible.

Incentives to companies to continue operating

Central Bank decided to (i) waive bank fees relative to fund transfers through mobile money and (ii) increase the upper limit for mobile money transfers by SMEs. Moreover, the Treasury has announced a US5m package to support the tourism industry.

Kenya (2/2)

Main sources of information

— Tax and Regulatory Services: https://home.kpmg/ke/en/home/insights/2020/03/government_interventions_to_cushion_kenyans_against_covi19.html

Mauritius (2/5)

Quarantine Regulations 2020 (the Quarantine Regulations)

The Mauritius' minister immediately passed the Quarantine Regulations 2020 with effect on 19 March 2020, which restrict "the arrival of a conveyance"1 and "the prohibition of the boarding on, or disembarkment from, the conveyance of a person" to inter alia prevent "the spread of quarantinable disease in Mauritius".

Key measures taken (under the PHA 1975 and the Infectious Disease Regulations)

— The isolation and screening of (i) an infected person, (ii) a person reasonably believed of being infected, (iii) a person arriving on an aircraft or ship from a high-risk country or (iv) a person reasonably believed of having had contact with another infected person;

— The imposition of restrictions and conditions on any person mentioned above;

— The powers of the MPF to enforce compliance including the power to keep the person in detention;

— The imposition of a curfew from 20 hours on 23 March to 20 hours on 02 April 2020

— Regarding restrictions on foreign travel, the Government Notice prescribes a 15-day ban on passenger travels as from 10 a.m. on 19 March 2020. Thus, all foreign travel through the port and the airport of Mauritius is banned from 19 March to 02 April 2020;

— National containment protocol provides that the population restrict their travels to the supermarket, corner shops (boutiques) or pharmacies;

— As regards public transport, a minimum service will be offered. Buses will be on roads as from 7 am to 7 pm at a reduced frequency and the Metro Express will operate as from 6 am to 6 pm;

— The implementation of a Covid-19 Wage Support Scheme to provide financial support to employees in the travel and tourism sector, export-oriented enterprises, ICT/BPO sector, SMEs and other sectors of the economy, who become technically unemployed on a temporary basis due to the impact of the Coronavirus; and

— The imposition of price control on hand sanitisers, N95 respirators and PPF2 masks.

Mauritius (3/5)

Particular considerations for employers

The closure of trade premises and restrictions of activities – implicitly this means that all businesses remain closed except for “essential services” and “economic operators”. “Essential Services” include the Police Force, Medical Services, and Fire Rescue Services and “economic operators” were listed on 20 March 2020 through a communiqué, titled “Communiqué for Economic Operator”. as follows:

— Supply of food (including Bakeries, take away and home deliveries)

— Food production, farming (fruits, vegetables & livestock), food processing and beverages

— Supermarkets and associated supply chains (including online purchase and home delivery)

— Freight Forwarding and other Logistic Activities

— Licensed Telecom Operators

— Petrol Stations and Cooking Gas distribution

— Banks, Insurance and other Financial Services

— Tourism and Press, Media and associated services

— Airlines, Transport Industry including Taxis and Port and Airport related activities

— Security Guards and Watchmen

— For the above listed activities, a permit needs to be obtained from the Monitoring Committee – COVID 19 (the Committee),

Mauritius (4/5)

Particular considerations for employees (under the Workers' Rights Act 2019)

— The employers who are "economic operators" can request their employees to leave their homes and come to work, subject to obtaining a Covid 19 Work Access Permit for their employees. For the remaining employers, employees can be requested to work from home;

— For the majority of employers who are unable to provide work to their employees, the employer shall still have to pay a full day's remuneration;

— An employer may fix the 11 paid annual leaves of an employee earning up to MUR 50,000 as basic monthly salary, if the employer and employer are unable to agree when the statutory 22 annual leaves are to be taken. However, if the employee does not want to exhaust those paid annual leaves, the parties may agree that unpaid leaves be taken but the express consent of the employee is required;

— For employees earning more than MUR 50,000 as basic monthly salary, there is no minimum annual leaves' entitlement, and it will therefore depend on the terms and conditions of the employment agreement;

— An employer may require an employee (irrespective of his salary threshold) to work for a shorter time than that specified in his agreement and at a reduced remuneration, subject to the approval of the supervising officer of the Ministry of Labour, Human Resource Development and Training;

— An employer may require an employee (irrespective of his salary threshold) to work for a shorter time than that specified in his agreement and at a reduced remuneration, subject to the approval of the supervising officer of the Ministry of Labour, Human Resource Development and Training.

Tax Measures

Mauritius Revenue Authority – Wage Assistance Scheme

— The Government of Mauritius announced a Wage Scheme Assistance on 23 March 2020. Where companies in the private sector are adversely affected by COVID-19, an application can be made to the Mauritius Revenue Authority ("MRA") for financial support.

— Under this scheme, companies will be entitled to receive in respect to its wage bill for the month of March 2020, an amount equivalent to 15 days' basic wage bill for all of its employees drawing a monthly basic wage of up to MUR 50,000 subject to a cap of MUR 12,500 of assistance per employee.

Mauritius (5/5)

Mauritius Revenue Authority – No penalty and interest for late filing

— The MRA has issued a communique on 20 March 2020 stating that taxpayers who are unable to submit returns or effect payment of tax due to the lockdown will not be charged any penalty or interest for late submission or payment. No cut-off date has as of yet been communicated on this grace period.

Promoting work-from-home policy & tax credits for companies affected

— With a view to promote working from home, the Government introduced a tax reduction scheme in 2018 which gives employers a double tax deduction in respect of emoluments payable to its staff who work from home and a 5% tax credit on the acquisition of information technology system. These measures are transitional and apply only for the period 01 July 2018 to 30 June 2020.

— Companies affected by the COVID-19 will also be eligible for certain tax deduction when acquiring plant and machinery during the period 01 March 2020 to 30 June 2020. Read more here.

Mauritius Revenue Authority – Customs

— The core services of MRA Customs are operational in Mauritius and Rodrigues, with a skeleton staff, in order to enable the clearance of goods and outgoing passengers;

— Facilities for the electronic submission of Customs Declarations, including electronic payment of duties and taxes, remain available on the Customs Management System.

Main sources of information

Mauritius: Tax relief in response to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-mauritius-tax-relief-response-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Morocco (1/1)

Contacts:
Tax: Aziz El Khattabi – aelkhattabi@kpmg.com

General information

— The Council decided to reduce the key interest rate by 25 basis points to 2% and to continue to monitor all these developments very closely.

— Morocco releases one billion dollars for the fight against coronavirus

— Covid-19 in Morocco: Suspension of the CNSS, moratorium on bank loans

— Suspension of tax charges as at 31 March and of payroll charges for all sectors, except those not suffering from the crisis.

— The CVE decided to suspend the payment of social security charges and to introduce a moratorium on the repayment of bank loans to companies. These measures should be operational from Monday 23 March.

Decisions by the Business Intelligence Committee

— The Kingdom has put in place a Business Intelligence Committee (Comité de Veille Economique or CVE) to look at Morocco's economical situation under the Coronavirus crisis and to take appropriate measures. The CVE includes Morocco's relevant Ministries, banking professionals' federation, private sector association, Chambers of commerce, industry and services federation and chambers of crafts federation

— The CVE has taken a series of measures including:

— Suspension of payment of social expenses

— Implementation of a moratorium for companies' bank credit repayments

— Liquidity support to SMEs and micro-enterprises continuing to operate and facing difficulties during this period

— Postponement by a quarter of declaration and payment of corporate taxes initially planned on March 31st for companies recording a revenue below 20 million dirhams (1.9 million euros).

— Grant of additional lines of bank credits thanks to a warranty to be soon issued by the Caisse Centrale de Garantie

— Deferment of leasing and credit payments until end of June

— Tax inspection and third-party notification (ATD) suspended until June 30th

Morocco (2/2)

Decisions by the Business Intelligence Committee (continued)

— To prevent a social crisis due to businesses closing and temporary lay-offs, employees affiliated with the CNSS (social security) will also:

— Be granted a 2000 dirhams net (190€) monthly allowance disbursed from the Fund for Management of Coronavirus Effects

— Benefit from a 3 months delay for the payment of bank commitments linked to consumer and mortgage loans

— Continue benefiting from family allowances and compulsory health Insurance

Main sources of information

Kingdom of Morocco: https://www.cg.gov.ma/ar

Highlighted in yellow = changes or additions as at 30 March 2020

Nigeria (1/2)

Contacts:
Tax: Ajibola Olomola – Ajibola.Olomola@ng.kpmg.com

General information

Nigerian Central Bank establishes a fund to support the country's economy 50 billion naira (EUR 121 million) for households and micro and small enterprises. Credit assistance for the health industry to meet the potential increase in demand for health services and products "by facilitating borrowing conditions for pharmaceutical companies, hospitals and practitioners".

Monetary Policy

On March 16, the Central Bank of Nigeria announced six new measures to cushion the financial impact of the coronavirus:

— A 1 year extension of a moratorium on principal repayments for CBN intervention facilities;

— The reduction of the interest rate on intervention loans from 9 percent to 5 percent;

— The creation of a NGN 50 billion (USD 140 million) targeted credit facility for households and SMEs that have been hard-hit by the virus;

— Credit support for the healthcare industry;

— Urging Deposit Money Banks to consider temporary and time limited restructuring of the tenor and loan terms for affected businesses and households;

— Strengthening of the Loan to Deposit ratio policy (i.e. stepped up enforcement of directive to extend more credit to the private sector)

Fiscal Policy

— The Federal Government cut planned spending in the 2020 budget by about NGN 1.5 trillion (USD 4 billion), including a 20 percent cut to capital expenditure and a 25 percent cut to recurrent expenditure.

— The crude oil benchmark price was also reduced from USD 57 to USD 30.

— The Central Bank announced that it will create a NGN 50 billion (USD 140 million) targeted credit facility for households and SMEs that have been hard-hit by the virus and pledged to pump in NGN 1.1 trillion (USD 3 billion) into critical sectors of the economy

Nigeria (2/2)

Fiscal Policy

On March 23, the Federal Inland Revenue Service announced the following tax relief measures to address the impact of the coronavirus (COVID-19) pandemic on taxpayers:

— Extension of the due date for filing of value added tax (VAT) and withholding tax returns from the 21st day of the month to the last business day of the month, following the month of deduction

— Extension of the due date for filing of the companies income tax return by one month

— Use of electronic platforms for paying taxes and processing tax clearance certificates

— Electronic filing of tax returns by taxpayers

Main sources of information

— Nigeria: Tax relief, responding to coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-nigeria-tax-relief-responding-to-coronavirus.html

Highlighted in yellow = changes or additions as at 30 March 2020

Senegal (1/1)

Contacts:
Tax: Ndiaga Sarr – ndsarr@kpmg.sn

General information

— In addition to a fund initially created with an envelope of 1.4 billion FCFA ('2.1 million), Senegal has taken 3 new measures to mitigate the negative effects of the coronavirus on its economy. These are the establishment of a Response and Solidarity Fund against the effects of COVID- 19 called "FORCE-COVID-19". Then the creation of a COVID-19 growth and economic watch committee. And finally, the development of a contingency plan following the evolution of the pandemic for an amount of 64 billion FCFA (97.6 million euros).

— Referring to the private sector, Amadou Hott, Minister of Economy, suggested that banks will provide facilities to the most affected companies and operators

— Macky Sall announced the creation of a "national crisis cell and a fund for response and solidarity against the effects of Covid-19". He asked his ministers to put their hands in their pockets and invited them to "each contribute one million CFA francs" (1,500 euros).

Main sources of information

— Covid-19 official Portal: https://covid19.sec.gouv.sn/

Highlighted in yellow = changes or additions as at 30 March 2020

South Africa (1/7)

Contacts:
Tax: Tanya Engels – tanya.engels@kpmg.co.za

General information

The 18 March, the government announced it works on a package to support SMEs

A Debt Relief Fund aims at providing relief on existing debts and repayments, to assist SMEs during the period of the Covid-19 state of disaster. For SMEs to be eligible for assistance under the Debt Relief Fund, the applicant must demonstrate a direct link of the impact or potential impact of Covid-19 on the business operations. The Ministry has set up a centralised registration system (www.smmesa.gov.za) where all those in need of financial aid will register and be screened

The Business Growth or Resilience Facility aims to enable continued participation of SMEs in supply value-chains, in particular those who manufacture (locally) or supply various products that are in demand, emanating from the current shortages due to Covid-19 pandemic. This facility will offer working capital, stock, bridging finance, order finance and equipment finance and the amount required will be based on the funding needs of the business.

On 19 March, the Reserve Bank cut the repo rate by 100 basis points from 6.25% to 5.25%.

South Africa: VAT considerations in light of coronavirus (COVID-19), 20th of March,2020

Deposits: Whether an amount received is indeed a deposit and, if so, the VAT treatment when such deposit is forfeited or applied as consideration for the supply of goods or services

Vouchers issued or credits granted for cancellations: Whether the voucher is taxable or not, the implications when tendered or forfeited and different forms of credits received for future use

Cancellation fees: The rate of VAT to be applied to these charges to customers together with documentary requirements, where relevant, i.e. a local standard rated flight for a non-resident will potentially have a zero rated cancellation fee

South Africa (2/7)

South Africa: VAT considerations in light of coronavirus (COVID-19), 20th of March,2020 (continued)

Unpaid creditors: The implications of creditors unpaid for a period of more than 12 months (subject to the exceptions, e.g. certain inter-group transactions)

Bad debts: The requirements for the relief available for bad debts written off, considering the exceptions to

certain inter-group transactions and the potential VAT liability on bad debts subsequently recovered

Dealings with SARS: The potential impact which new measures introduced by SARS will have on VAT registrations, disputes, account queries, ruling applications, delayed refunds, verifications etc.

VAT refunds: In the unlikely event of the closure of SARS branches or a significant reduction in staff members, the potential impact on cash flow due to delayed payment of VAT refunds

VAT due which cannot be paid timeously: Arranging extended payment terms with SARS due to cash flow restrictions

South Africa: Carbon tax registrations and possible effect of coronavirus (COVID-19), 23th of March,2020

The carbon tax is administered as an environmental levy on carbon emissions, which requires that every person operating emissions-generation facilities at a combined capacity equal to or above the legislated carbon tax threshold, must register with the South African Revenue Service and **obtain** a **consolidated license for the combination of emissions facilities** that generate **emissions** subject to the **carbon tax**. The **emission facilities** will be licensed as a "**customs and excise manufacturing warehouse".**

South Africa (3/7)

Tax and Legal News

On Monday 23 March 2020, the President of South Africa announced unprecedented measures in assisting South Africa in its fight against COVID-19. Most notably, a nationwide lockdown effective for 21 days from midnight on Thursday 26th March 2020. The lockdown will be lifted at midnight on Thursday 16th April 2020.

COVID-19 – The Benefits of Tax Compliance in Unprecedented Times

This measure is aimed at preventing millions of South Africans from infection whilst saving the lives of hundreds of thousands of South Africans.

The implementation of this safeguard will have an impact on the economy and people's livelihoods. The President mentioned several mechanisms that could assist in dampening the negative economic impact that the safeguard could have, including the setup of a SOLIDARITY Response Fund which could afford organisations and individuals tax deductible donations in assisting with the fight against the COVID- 19 Epidemic. The President went on further to mention certain tax related mechanisms which could assist businesses given the financial and economic distress in these unprecedented times

Overview of measures proposed

— Tax compliant businesses with a turnover of less than ZAR 50 million will be allowed to delay 20% of their Pay-As-You-Earn (PAYE) liabilities over the next four months and to delay a portion of their provisional corporate income tax payments without penalties or interest over the next six months.

— The South African tax system will provide a tax subsidy of up to ZAR 500 per month for the next four months for those private sector employees earning below ZAR 6 500 under the Employment Tax Incentive (ETI). The South African Revenue Service (SARS) will also work towards accelerating the payment of ETI reimbursements from twice a year to monthly to get cash into the hands of compliant employers as soon as possible.

— The South African government is exploring the temporary reduction of employer and employee contributions to the Unemployment Insurance Fund (UIF) and employer contributions to the Skill Development Levy Fund (SDL contributions) and to the Commissioner for Compensation for Occupational Injuries and Disease Fund (COIDA contributions)

South Africa (4/7)

Introduction to Employer Relief Measures proposed

The details of the actual temporary relief measures are not known at this time. Any changes to the legislation require swift changes to the SARS electronic platforms and payroll software used by employers to run their payrolls.

Employment taxes

As mentioned above, the President proposed relief measures in relation to employment taxes. Employment taxes include:

— PAYE

— UIF

— SDL obligations

— Remittances by employers to the COIDA Fund.

When are the remittances payable by the employer (taxpayer)?

Every resident employer must withhold employees' tax on remuneration paid to employees by no later than the 7th day of the month following the month in which such tax amount was withheld. Where the 7th of the month falls on a public holiday, Saturday or Sunday, the payment must be received by the SARS by the preceding business day. The same payment date applies for the remittances of the UIF and SDL obligations to SARS. The payments to SARS must be accompanied by a monthly form (EMP 201). The payment of COIDA is an annual employer liability payable to the Compensation Commissioner.

What are the penalty provisions?

Currently, when PAYE, UIF and SDL payments are not received timeously by SARS, a 10% penalty in relation to the late payment and interest at prevailing rates apply. The Speech Proposals provide that employers with a turnover of ZAR50 million or less, may delay 20% of the PAYE obligations over the next four months without incurring penalties and interest.

South Africa (5/7)

What is currently reported on the EMP201 and what changes are recommended?

Currently the EMP201 form only requires the following information to be provided by the employer:

— PAYE payable

— SDL payable

— UIF payable

— ETI[brought forward

— ETI calculated

— ETI utilized

— ETI carried forward

— Penalty and Interest (if paid late)

UIF and SDL temporary relief measures

UIF is required to be withheld by employers in relation to a monthly remuneration value capped to ZAR 14 872.

1% of the UIF contribution is withheld from the employee's compensation and the employer makes a matching 1% contribution. It is speculated that UIF obligations will be set aside for at least four months.

The Employment Tax Incentive (ETI)

— The ETI is an incentive aimed at reducing youth unemployment by encouraging employers to hire young work seekers.

— Employers are incentivised to employ young persons (between 18-29 years of age) in terms of a cost-sharing arrangement with government, by allowing the employer to reduce the amount of PAYE it is required to pay to SARS by the amount of the ETI. This provides an immediate cash benefit to the employer.

South Africa (6/7)

What are the proposals?

— The President stated that this proposal is intended to assist businesses which may be in distress, by using the tax system to provide a tax subsidy of "up to ZAR 500 per month" for the next four months for those private sector employees earning below ZAR 6 500 under the ETI regime.

— It is not clear whether the employer will be entitled to claim an additional ZAR 500 of the ETI, per qualifying employee per month. Presently the value of the ETI which an employer may claim in relation to a "qualifying employee" varies depending on the quantum of the compensation paid by the employer to that employee. It would appear that the additional ZAR 500 saving will apply for all employees earning less than ZAR 6 500 per month.

— An employer is not eligible to claim the ETI if the employer is not compliant in respect of its tax obligations i.e. if the employer has any outstanding tax returns or an outstanding tax debt.

— Currently, qualifying employees who earn ZAR 6 500 per month or less do not pay personal income tax since their income is below the personal income tax threshold (2021 tax year threshold is ZAR 83 100).

— In addition to the above, SARS will also work towards accelerating the payment of ETI reimbursements from twice a year to monthly to facilitate the availability of cash into the hands of compliant employers as soon as possible.

— Currently, if the ETI amounts claimed on the EMP201s exceeds the employees' tax payable as at the end of every six-month employer reconciliation period, the employer can claim a cash refund from SARS. However, if the taxpayer is not tax compliant across all taxes, the employer may not set off the ETI against the employees' tax liability nor can the employer claim the refund.

— In practice, ETI refunds take a long time and refunds will not be paid by SARS until SARS has completed an audit of the ETI claims.

— Given the current timing delay in relation to the payment of ETI refunds, SARS would need to remove ETI system blocks and delay ETI audits to ensure that refunds will be paid out timeously.

South Africa (7/7)

Main sources of information

— South Africa: Carbon tax registrations and possible effect of coronavirus (COVID-19) https://home.kpmg/us/en/home/insights/2020/03/tnf-south-africa-carbon-tax-registrations-possible-effect-coronavirus.html

— South Africa: VAT considerations in light of coronavirus (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-south-africa-vat-considerations-in-light-of-coronavirus.html

— South Africa: Tax relief measures in response to “lockdown” (COVID-19): https://home.kpmg/us/en/home/insights/2020/03/tnf-south-africa-tax-relief-measures-in-response-to-lockdown-covid-19.html

Highlighted in yellow = changes or additions as at 30 March 2020

Tunisia (1/4)

Contacts:
Tax: Dhia Bouzayen – Dbouzayen@kpmg.com

The Government has announced a set of financial and fiscal measures to address the impact of citizen closure and to reduce the impact of the resulting activity. The total amount announced is $2,500 million. The objective of these measures is to avoid bankruptcies or permanent cessation of business activities, to maintain employment and to financially support the most highly paid and the most profitable businesses.

The objective of these measures is to avoid bankruptcies or permanent terminations of the companies' activities, to maintain employment and to financially support the most highly paid and the most successful companies.

Tax measures for all companies

All companies, whatever their size and sector of activity, have systematically benefited from the following measures:

— The extension of SI declarations until the end of May 2020, with the exception of companies subject to the SI rate of 35%.

— The suspension of all control operations and all deadlines related to tax audit procedures and deadlines for objections until the end of May 2020.

— The reduction of the time limits for the removal of the tax credit is to be achieved by speeding up the timing of the meetings of the Commission for the consideration of requests for removal by moving to a weekly instead of a fortnightly basis. Payment shall be made within a period of no more than one month.

— The revaluation of built and unbuilt property on the basis of its actual value and the exemption from capital gains tax on the revaluation of property held for sale.

— The cancellation of penalties for companies with public procurement contracts for a maximum period of 6 months.

Tunisia (2/4)

Tax measures for the most affected companies

The phrase "undertakings affected by the impact of the virus" will be defined by government decree after consultation with representatives of the Government's President's Office.

The most successful companies are allowed to take advantage of the following opportunities:

— The staggering of their tax and customs debts for a maximum period of 7 years.

— The suspension of penalties and delays in the payment of tax for a period of three months from April 1 to June 30, 2020.

— The deferral of payment of NSSO contributions for the second and third quarters lasts for three months (excluding the first quarter due on 15 or 25 April).

— Simplification of the procedures for refunding the VAT credit from the farm by removing the condition of continuity for a period of 6 months. Payment will be made within a maximum of one month.

— With the exception of the certificate of purchase and the certificate of suspension of tax and other tax certificates, which may be obtained at any time without the presentation of the necessary documents, provided that they are submitted at a later date.

The tax measures for companies are entirely export-oriented

As an exception and only once in the 2020 financial year, companies that are all exporters can benefit from the authorisation to sell their goods on the local market within the following new limits:

— For companies that are entirely exporters operating in the agri-food and health sectors: the percentage of 30% is increased to 100%.

— For the other companies, which are all exporters, the percentage of sales on the local market increased from 30% to 50%.

Tunisia (3/4)

Direct Financial Assistance (450MD)

— A 300 million envelope for the benefit of technically unemployed workers, the first of which, according to the Finance Department's proposal, would be of interest to SMEs, with a view to strengthening the SME support fund, in addition to the implementation of the previous decision to provide a bonus of 3 points of interest.

— A 150 million envelope for the benefit of poor and special-needs families that supports family programs that require direct assistance to individuals directly affected under the supervision of the Ministry of Social Affairs.

Business Support Financial Envelopes(1700MD)

— A 500 MD envelope to increase the stock of basic products for the public sector drug, food and oil companies.

— A 500 MD guarantee line to allow private companies that are unable to obtain bank credit to maintain their business (credits granted up to the end of December 2020, over a period of 7 years with 2 years of grace). The tourism sector (hotels, travel agencies, restaurants, craftsmen, transport, culture) is particularly targeted by this MF measure.

— Three new investment funds, funded by the CDC under the MF, (700MD):

  — The first of 500 MD (of which 100 MD will be released as a first tranche) for large companies, including strategic companies, to strengthen their capital and maintain employment;

  — The second of the 100 MD is a bridging fund for the takeover of existing investment funds in companies facing difficulties in strategic sectors, so that these funds can be used to finance other projects;

  — The third part of a 100 MD fund to finance the acquisition of equipment for hospitals and public health institutions.

— This contribution from the CDC will be dependent on the financing of the Treasury, which is the main source of funds from the CSF and would oblige the State to have recourse to the financial system.

Tunisia (4/4)

Exemptions and financial support

— This measure relates to limited amounts because the source credit of the population represents a small portion of the total credit to individuals, which is 24 billion dinars. This does not pose any problems for the banks, as other individuals continue to pay back the loans.

— Deferral of bank credit repayments over 6 months for companies affected by the crisis. This measure, however, can be applied to higher amounts if it covers more than one sector.

— For example, the central risk centre has identified 67 billion Dinars in credit to companies, of which 39 billion Dinars is short term, and the carry-over must be limited to the most affected companies so as not to choke the banking system. The average liquidity requirement of the banks has fallen from 16 billion at the beginning of 2019 to 11 billion Dinars at present, and this fall over 12 months has helped to reduce inflation (from 7.3% to 5.8% in one year).

— A resumption of financing is therefore expected to allow banks to extend the maturities of affected customers, but this would be limited to 5 billion Dinars over one year, with the aim of not exceeding the level at the end of 2018, which is considered to be high and inflationary. This represents 13% of all short-term loans to companies, so the balance of the loans must be targeted at the companies most affected by the crisis.

Main sources of information

Government of Tunisia: http://fr.tunisie.gov.tn/

Institutions

ECB

European Central Bank

- The objective of the ECB through this program is to provide relief to banks in order to boost loans to businesses and households, as well as to support production and employment.
- This action is similar to that taken by the Fed in the U.S., which includes the purchase of $500 billion in T-bills and $200 billion in mortgage-backed securities to support the smooth functioning of these marketplaces.
- The ECB's Governing Council announced on Wednesday March 18 a new Pandemic Emergency Purchase Programme with an envelope of €750 billion until the end of the year, in addition to the €120 billion decided on March 12. Together this amounts to 7.3% of euro area GDP. The programme is temporary and designed to address the unprecedented situation the monetary union is facing. It is available to all jurisdictions and will remain in place until ECB assesses that the coronavirus crisis phase is over.
- The new instrument has three main advantages. First, it fits the type of shock we are facing: exogenous, detached from economic fundamentals and affecting all countries in the Euro Area. Second, it allows to intervene in the entire yield curve, preventing financial fragmentation and distortions in credit pricing. Third, it is tailored to manage the staggered progression of the virus and the uncertainty about when and where the fallout will be worst.
- This is reflected in the terms and conditions of the new programme. While the benchmark allocation across jurisdictions will continue to be the capital key of the national central banks, purchases will be conducted in a flexible manner. This allows for fluctuations in the distribution of purchase flows over time, across asset classes and among jurisdictions.
- Moreover, to the extent that some self-imposed limits might hamper action that the ECB is required to take in order to fulfil its mandate, the Governing Council will consider revising them to the extent necessary to make its action proportionate to the risks faced.
- ECB is fully prepared to increase the size of the asset purchase programmes and adjust their composition, by as much as necessary and for as long as needed. ECB will explore all options and all contingencies to support the economy through this shock.
- ECB also decided to purchase commercial papers of sufficient credit quality and to expand the eligible collateral in its refinancing operations. The aim is to reinforce the actions that ECB took last week to protect the flow of credit to companies and people.
- ECB is making available up to €3 trillion in liquidity through its refinancing operations, including at the lowest interest rate ever offered, -0.75%. Offering funds below ECB deposit facility rate allows to amplify the stimulus from negative rates and channel it directly to those who can benefit most. European banking supervisors have also freed up an estimated €120 billion of extra bank capital, which can support considerable lending capacity by euro area banks.

EU

European Union

— On March 19, 2020, following consultation with EU Member States, the European Commission adopted a Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak. The Framework sets out temporary State aid measures that the European Commission considers compatible with the EU internal market and that can be approved rapidly upon notification by each Member State. The Framework provides for five types of aid:

— Direct grants, selective tax advantages and advance payments, up to EUR 800,000 to a company to address its urgent liquidity needs.

— State guarantees for loans taken by companies from banks, to ensure banks continue to provide loans to the customers who need them.

— Subsidized public loans to companies, i.e. loans with favorable interest rates to help businesses cover immediate working capital and investment needs.

— Safeguards for banks that channel State aid to the real economy, in particular support for small and medium-sized companies. It is noted that such aid is considered as direct aid to the banks' customers, not to the banks themselves.

— Short-term export credit insurance.

— As at March 27, 2020, the European Commission had approved State Aid Measures adopted under the Temporary Framework in Denmark, France, Germany, Italy, Latvia, Luxembourg, Portugal, Spain and the UK.

Highlighted in yellow = changes or additions as at 30 March 2020

International Monetary Fund

International Monetary fund

— The IMF is ready to mobilise its lending capacity of USD 1,000 billion to assist its member countries.

— The IMF already has 40 outstanding arrangements with resource commitments of up to approximately USD 200 billion. About 20 other countries have also expressed interest.

— Another objective is to increase the Disaster Assistance and Response Trust Fund (ARC Trust Fund) to USD 1 billion (from USD 400 million today). This fund can help the poorest countries by providing immediate debt relief.

Highlighted in yellow = changes or additions as at 30 March 2020

OECD (1/2)

On March 20, 2020, the OECD published a range of tax policy and tax administration measures could be considered by governments. The OECD stressed that these potential measures are not recommendations but are intended to assist policymakers as they respond in their own national context. The measures include:

— Temporarily provide more generous welfare payments and income support;

— Waiving or deferring employer and self-employed social security contributions, as well as payroll related taxes;

— Providing tax concessions for workers in health and other emergency-related sectors;

— Deferring payments of VAT, customs or excise duties for imported items;

— Speeding up refunds of excess input VAT, accompanied by targeted measures to limit fraud risks;

— Simplifying procedures for claiming relief from VAT on bad debts;

— Adjusting the required advance payments on the basis of a revised expected tax liability;

— Deferring or waiving taxes that are levied on a tax base that does not vary with the immediate economic cycle;

— Increasing the generosity of loss carry-forward provisions;

— Preparing for recovery including through tax policy.

The above follows a separate publication by the OECD on March 16, 2020 of the ways that governments and tax administrations can ease burdens on taxpayers and support businesses and individuals with cash-flow problems or with difficulties in meeting tax reporting or payment obligations. This included:

— Extension of deadlines;

— Deferral of tax payments;

— Penalties and interest for late filing or payment could be suspended or possibly refunded depending on circumstances.

— Taxpayers could be given easier access to payment plans and extensions of plan duration. Consideration may also be given to having an interest free period.

Highlighted in yellow = changes or additions as at 30 March 2020

OECD (2/2)

— Suspending debt recovery
— Quicker refunds
— Consideration of not auditing taxpayers during the crisis (other than where fraud is involved).
— Consideration of adjustments to taxpayer services, including increased use of digital channels, dedicated hotlines and, where practicable, longer opening hours of telephone centres;
— Clear communication strategies, including dedicated webpages, multifaceted media communications, and consideration of how to identify and reach vulnerable taxpayers. OECD

World Bank

World Bank

— Accelerated funding envelope increased to $14 billion to support corporate and national efforts to prevent, detect and respond to the rapid spread of Covid-19.

— Depending on the duration and severity of the epidemic, the World Bank may release a second funding envelope to focus more specifically on economic and social impacts.