KIRKLAND & ELLIS

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# European COVID-19 Government and Central Bank Measures Supporting Business

# Overview

In addition to drastically cutting interest rates and introducing asset purchase programmes, governments and central banks around the world continue to introduce new measures directly available to companies as the "second wave" takes hold.

**This paper provides an overview of the measures available to companies in Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, the UK and the EU.** Governments are still having to be reactive as the full impact of COVID-19 continues to unfold and we will update this alert periodically to capture new developments.

Cash is king and we have been assisting clients navigate the constantly changing list of measures to identify how they can reduce their expenses and bolster their cash position.

## No international cap

To date, no 'unified' approach has been taken by governments in different jurisdictions, and the key thing for corporate groups to note is that there is no international cap on government aid. Corporate groups should have a plan in place to access what they can where they can.

## State aid

We continue to receive queries about the EU's State aid regime, which has traditionally restricted the form and quantity of financial assistance provided by Member States. The COVID-19 measures put in place by Member States and the UK will need to adhere to EU State aid rules and, for good order, we recommend that clients check that any government support they are considering accepting in light of COVID-19 is compliant with these rules. The European Commission (the executive branch of the EU) is fast tracking all necessary approvals and, on 19 March 2020, the European Commission adopted a Temporary Framework to enable Member States to use the full flexibility foreseen under State aid rules to support the economy in the context of the COVID-19 outbreak. The Temporary Framework has since then been extended to enable governments to recapitalise companies in need in return for equity and to grant subordinated loans and has recently been prolonged until middle/autumn of 2021. In light of these actions, we expect that, going forward, State aid rules will still not be an impediment to COVID-19 financial assistance from Member States and the UK.

## It's not just about money

In addition to offering companies financial support by providing loans, tax holidays and covering employee wages, laws have been adjusted to enable companies to comply with social distancing laws (e.g., by convening virtual shareholder meetings, etc.) and to relax insolvency related requirements (e.g., directors need to file for insolvency less hastily in a number of jurisdictions). These legal amendments are also summarized in this paper.

In these unprecedented times, directors of companies will need to be well-prepared by having a solid understanding of directors' duties and the insolvency framework in the jurisdictions within which their businesses operate. We assist clients with this during this difficult period.

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# Austria

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| **Finance / Loan Schemes** | | |
| **Guarantees**<br>▸ Working capital loans may be secured with a guarantee from the Republic of Austria amounting to 100% (SMEs) or 90% (SMEs and large enterprises) of the loan amount (federal guarantee)<br>▸ The maximum cap and term depend on the size of the company (SME or large enterprise) and maturity of the respective loan | ▸ SMEs and large enterprises which comply with the conditions set out in the Ordinance of the Federal Ministry of Finance on Guidelines on Financial Measures, Federal Law Gazette II No. 143/2020 (e.g., headquarters or a permanent establishment and significant operational activity in Austria)<br>▸ Application by COFAG together with aws (SMEs), ÖHT (enterprises in the tourism and leisure industry) and OeKB (large enterprises). The respective company's commercial bank is the single point of contact<br>▸ Link: https://www.bmf.gv.at/public/top-themen/corona-hilfspaket-faq.html#Corona-Hilfsfonds | Live |
| **"Bridge-Finance-Guarantees due to the Corona Virus Crisis" by Austria Wirtschaftsservicegesellschaft mbH (aws, Austrian promotional bank)**<br>▸ Volume: The guarantee can be used to secure up to<br>– 80% of a bridging loan of up to €1.5 million per SME (including affiliates)<br>– 90% of a bridging loan of up €27.7 million (with additional requirements for loans with a maturity beyond 31 December 2020) per SME (including affiliates)<br>– 100% for a loan of up to €500,000 per SME (including affiliates)<br>▸ Provides support for liquidity shortages caused by loss of sales as a result of the COVID-19 crisis and interim financing measures (e.g., short-term adjustment of supply chains and customer relations). Funding will be provided for working capital financing (e.g., purchases of goods, personnel costs)<br>▸ Term of the bridging loan: max. five years<br>▸ Maximum cap: €40 million per group | ▸ Implementation basis of the scheme: the aws Directive for SMEs, with a focus on the "Bridge-Finance-Guarantees due to the Corona Virus Crisis"<br>▸ Financially sound small-scale and industrial SMEs (companies in the tourism and leisure industry and banks, credit institutions, insurance companies are excluded)<br>▸ Application by commercial bank of the company<br>▸ Links:<br>– https://www.aws.at/aws-garantie/ueberbrueckungsgarantie/<br>– https://www.aws.at/aws-garantie/ueberbrueckungsgarantie/ergaenzende-downloads/ | Live |

# COVID-19 Response: Austria

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Loans for the tourism and leisure industry by the Federal Ministry of Agriculture, Regions and Tourism and Österreichische Hotel- und Tourismusbank (ÖHT)**<br>► Volume: €1 billion<br>► Federal guarantee can be used to secure<br>– 100% of a bridging loan of ≤ €500,000, maximum term of five years, interest rate cap commercial bank: three month-Euribor +75bps capped with 0% p.a. within the first two years<br>– 90% of a bridging loan of ≤ €4,400,000, maximum term of five years, interest rate cap commercial bank: 1%<br>– 80% of a bridging loan of ≤ €500,000, maximum term of three years, guaranteed interest rate: 2%<br>– 80% of a bridging loan of €500,000 – €1,500,000, maximum term of five years, guaranteed interest rate: 2% | ► SMEs in the tourism and leisure industry, which are expecting a 15% decline in sales compared to the same period of the previous year due to the COVID-19 crisis<br>► Company must be a member of the Chamber of Commerce (*Wirtschaftskammer*)<br>► Application by the commercial bank of the company<br>► Link: https://www.oeht.at/produkte/coronavirus-massnahmenpaket-fuer-den-tourismus/ | Live |
| **Federal Ministry of Finance and Austrian Control Bank (*Österreichische Kontrollbank,* OeKB)**<br>► Total volume: €3 billion<br>► Export companies can apply for a credit line of 10% (large companies) or 15% (small and medium-sized companies) of their export sales; federal guarantee ratio of 50% – 70% of these loans;<br>► Maximum limit per company group: €60 million<br>► Term: two years (option for extension) | ► Large, medium and small companies with existing export activity and at least 25% value added in Austria which have been economically healthy until the COVID-19 outbreak<br>► Application in collaboration with commercial bank of the respective export company<br>► Link: https://www.oekb.at/export-services/sonder-krr-covid-hilfe.html | Live |

# COVID-19 Response: Austria

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
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| **Finance / Loan Schemes** | | |
| **Bridge Finance Guarantees from the Federal Ministry of Finance / COFAG for large enterprises financed by funds from the CAF, administered OeKB**<br>► Volume: The guarantee can be used to secure up to 90% from the loan<br>► Maximum limit of the loan: depends on the actual liquidity needs of the respective company and is capped with<br>– Twice the company's annual wage bill<br>– 25 % of annual turnover<br>– on separate grounds: the amount needed to cover liquidity needs for the 12 months following the date on which the guaranteed financing is granted<br>The highest amount is used as a basis for the assessment | ► Large enterprises, irrespective of whether they export, which are located and have their main operational business in Austria and were not "in difficulty" within the meaning of Sec 2 No 18 GBER on 31 December 2019<br>► Application in collaboration with commercial bank of the respective company<br>► Link: https://www.oekb.at/export-services/faq-corona-hilfsfonds-grossunternehmen.html | Live |

# COVID-19 Response: Austria

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Measures by Austrian provinces**<br>▸ Vienna<br>– Ínnovate4Vienna: Support for production and development projects (e.g., with regard to medical devices and software, protective equipment, etc)<br>– Chamber of Commerce Vienna and City of Vienna: Guarantee of up to 80% for bridging loans<br>▸ Burgenland<br>– Hardship fund: fixed cost grants, grants for rent for micro enterprises<br>– Guarantees for working capital loans for SMEs<br>– Micro loans<br>▸ Styria Support measures for micro enterprises and SMES with the following programs: “Erfolgs!Kurs”, “Familien!Freundlich”<br>▸ Lower Austria: Guarantees of 80% for working capital loans of up to €500,000<br>▸ Salzburg:<br>– Guarantees of 80% for loans of up to €500,000<br>– Rent reduction for business premises in the city of Salzburg<br>▸ Tirol: non repayable interest rate subsidy in the amount of 1,5% for follow-up financing for existing aws or ÖHT guarantees | ▸ Link: https://investinaustria.at/de/blog/2020/04/corona-hilfsmassnahmen-bundeslaender.php | Live |

# COVID-19 Response: Austria

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **Tax exempt grants**<br>► With retroactive effect from 1 March 2020, the following grants are tax exempt:<br>1. Grants paid by the COVID-19-crisis management fund (e.g., payments in connection with short-time work)<br>2. Grants paid by the Hardship Fund under the Hardship Fund Act<br>3. Grants paid by the Corona crisis fund<br>4. Other comparable grants paid by the federal states, municipalities and statutory interest representations that are made for coping with the COVID-19 crisis | Everyone who receives these grants | 1 March 2020 |
| **Elimination of the sparkling wine tax** | Anyone liable to pay relevant tax | 1 July 2020 |
| **Introduction of the possibility of degressive depreciation**<br>► As an alternative to straight-line depreciation - for certain assets acquired or manufactured after 30 June 2020. If the taxpayer choose degressive depreciation, the rate of depreciation may be freely chosen within a maximum limit of 30%; this rate must be continued unchanged | Anyone liable to pay relevant tax | Assets acquired or manufactured after 30 June 2020 |
| **Accelerated straight-line depreciation for buildings acquired or constructed after 30 June 2020.**<br>► In the first year to a maximum of three times of the respective percentage of the acquisition or production costs in accordance with § 8 (1) EStG (7.5% or 4.5%), in the following year to a maximum of twice this percentage (5% or 3%), and from the second following year onwards the depreciation is calculated in accordance with § 8 (1) EStG (2.5% or 1.5%) | Anyone liable to pay relevant tax | Buildings acquired or constructed after 30 June 2020 |
| **Reduced VAT rate of 5%**<br>► For gastronomy, accommodation, culture and publications | Anyone liable to pay relevant tax | From 1 July 2020 to 1 January 2021 |
| **Income tax**<br>► Maximum income tax rate of 55% extended by five years until 2025 | Anyone liable to pay relevant tax | 25 July 2020 |

# COVID-19 Response: Austria

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **Tax easements — new rules:**<br>► Tax prepayments and tax payments can be postponed in an unusually informal manner (in particular, by e-mail)<br>► Any taxpayer, who credibly demonstrates a liquidity shortage specifically due to a COVID-19 virus infection, can apply for a reduction or non-assessment regarding advance payments of income or corporate income tax (including interest)<br>► Concerning tax collection, deferrals and payment in instalments as well as a non-assessment of deferral interest may be requested. Moreover, affected taxpayers may apply for a reduction or non-assessment of late payment surcharges<br>► In the case of deferred terms available applied for or maintained, credits can still be repaid in full. During the COVID-19 crisis, the credit balance does not have to be used to pay off due tax debts<br>► Tax deferrals and payment facilities granted after 15 March 2020 are extended by law until 15 January 2021. Furthermore, no deferral interest is to be imposed for the period between 15 March 2020 and 15 January 2021 | The taxpayer must have analyzed whether it is affected by a liquidity shortage due to the COVID-19 virus infection and must be able to demonstrate this to the tax authorities. However, the tax office assumes that this condition is fulfilled if the taxpayer files the respective application | 13 March 2020<br><br>25 July 2020 |
| **Stamp duty exemption**<br>► Exemption for certain public administration fees and for stamp duties for legal transactions in connection with the implementation of measures to manage the COVID-19 crisis | Anyone liable to pay relevant tax | Retroactively from 1 March 2020 to 31 December 2020 |
| **Business expenses deduction**<br>► Expenses incurred in the hospitality of business partners after 30 June 2020 and before 1 January 2021 can be deducted as business expenses at 75% (instead of 50%) | Anyone liable to pay relevant tax | From 30 June 2020 to 1 January 2021 |

# COVID-19 Response: Austria

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **Investment premium**<br>► Introduction of an investment premium, by which certain investments are subsidised by 7% or 14% between 1 August 2020 and 28 February 2021. The subsidy does not constitute taxable business income | Anyone liable to pay relevant tax | From 1 August 2020 to<br>28 February 2021 |
| **Loss carryback**<br>► Losses from corporate income which cannot be offset in the tax assessment in 2020 can be deducted from the total amount of income prior to special expenses and extraordinary charges up to an amount of €5m in the assessment in 2019<br>► Insofar as a deduction is not possible within the tax assessment 2019, it may be offset within the tax assessment 2018 under certain conditions. The loss carryback is also available to corporations | Anyone liable to pay relevant tax | 25 July 2020 |

# COVID-19 Response: Austria

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| ▸ Increase in the tax-free vouchers that employers can grant to their employees for meals from €4.40 to €8 per working day or from €1.10 to €2 for vouchers for groceries | All parties concerned | Wage payment periods ending after 30 June 2020 |
| ▸ The Social Security for the Self-Employed (*Sozialversicherung der Selbständigen*, SVS) provides the following supports to all SVS-insured people who expect financial losses due to COVID-19 or who are affected by illness or quarantine: deferral of contributions or agreement on instalments, reduction of the provisional contribution base as well as full or partial non-determination of interests for late payment. The reduction of the provisional contribution base may be requested by means of an online application form<br>▸ Likewise, the Austrian Health Insurance (*Österreichische Gesundheitskasse*, ÖGK) provides support to affected employers, such as: no late notices for due contributions, automatic deferral if contributions are not paid, only partially paid or not paid in due time; payment in instalments, no collection measures, no insolvency applications | ▸ All SVS-insured people who expect financial losses due to COVID-19 or who are affected by illness or quarantine<br>▸ Affected employers | 18 March 2020 |
| ▸ Allowances and bonus payments which are additionally paid to employees due to the COVID-19-crisis are tax exempt up to €3,000 in the calendar year 2020. These must be additional payments made exclusively for this purpose and have not usually been granted before. They do not increase the tax-privileged one-sixth of the year (*Jahressechstel*) and are not credited against it<br>▸ In case of COVID-19-related short-time work, teleworking (home office) or inability to work, both the commuter allowance and overtime surcharges will continue to be tax exempt | All employees concerned | Calendar year 2020 |

# COVID-19 Response: Austria (Continued)

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Grants** | | |
| **Hardship Fund**<br>► Volume: €2 billion<br>► Funding takes the form of a non-refundable grant of €500 or €1,000 respectively and shall partially compensate lost income from self-employment and from business operations of businesses that have been significantly affected by the impact of the COVID-19 crisis<br>► Term: applications can be submitted until 31 December 2020 | ► Single member entities (Ein-Personen-Unternehmen, EPU), freelance employees and micro-enterprises as defined in Commission Recommendation 2003/361/EC of 6 May 2003<br>► Business must be affected by an economically significant threat from COVID-19; further eligibility criteria (e.g., founding date on or before 31 December 2019; registered office or permanent establishment in Austria, etc.) are set out in the Guidelines of the Federal Minister of Finance<br>► Application: by company, to be submitted to the Austrian Chamber of Commerce (*Wirtschaftskammer Österreich*) at the following link<br>► Link: https://www.wko.at/service/haertefall-fonds-epu-kleinunternehmen.html | Live |
| **Corona Assistance Fund (*Corona-Hilfsfonds – "CAF"*): endowed with €15 billion; funds may be used flexibly for fixed cost subsidies or guarantees. The CAF is being handled by the newly established COVID-19 Federal Financing Agency (*COVID-19 Finanzierungsagentur des Bundes GmbH* – "COFAG")**<br>► **Fixed Cost Subsidies:** non-repayable subsidies may be granted to cover fixed costs, e.g., office rents; insurance premiums; interest expenses; contractual payment obligations necessary for operations (subject to further conditions); licence fees; payments for electricity, gas and telecommunications; subject to certain conditions: loss of value of perishable / seasonal goods and an appropriate entrepreneurial salary of max. €2,000 per month. The fixed cost subsidy amounts to 25%, 50% or 75% of the fixed costs — depending on the percentage loss of sales. Only fixed costs and loss of sales that occur between 16 March 2020 and 15 September 2020 are included. The subsidy is capped at €90 million per company and is not taxable (but reduces the deductible expenses in the fiscal year concerned) | ► SMEs which (i) are located and engaged in operational business in Austria. The fixed costs must be the result of operational business in Austria; (ii) suffer a loss of revenue of at least 40% in 2020 caused by COVID-19; (iii) take all reasonable measures to reduce fixed costs and to maintain jobs in Austria; (iv) have been economically sound before the COVID-19 crisis<br>► Excluded: Companies from the financial and insurance sector (banks, credit institutions, insurance companies, investment firms and other finance companies subject to strict supervisory regulations)<br>► Application: from 20 May 2020 via the respective company's FinanzOnline account<br>► Link: https://www.bmf.gv.at/public/top-themen/corona-hilfspaket-faq.html#Corona-Hilfsfonds; https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20011180 | Live |

# COVID-19 Response: Austria (Continued)

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Dividend distribution restrictions**<br>► The ECB and the FMA (Austrian Financial Market Authority) issued an urgent recommendation to the banks they supervise to refrain from paying dividends for the past financial year<br>► Outside the banking sector, management may be faced with the question of whether an originally planned profit distribution based on the annual financial statements for the past financial year is still permissible to the extent planned due to current developments or a possible negative outlook respectively. The managing directors should therefore closely observe further developments in connection with the crisis and, in case of doubt, not carry out a profit distribution already decided upon in order to maintain sufficient liquidity in the company. From a shareholder's point of view, it may result from the fiduciary duty that the shareholders are temporarily obliged to waive dividend distributions<br>► Applicants for financial assistance programs undertake to adapt the distribution of profits to owners to their economic circumstances for the period of the financial measure: for the period from 16 March 2020 to 16 March 2021 there is a ban on dividends and profit distribution. A moderate dividend and profit distribution policy is required for the remaining period. Furthermore, no reserves are to be released to increase the balance sheet profit and the liquidity received from the financial measures is not to be used (i) to pay profit distributions, (ii) to buy back own shares and (iii) to pay bonuses to members of the management board or managing directors | Banks and companies outside the banking sector | 27 March 2020 |
| **Virtual meetings**<br>► Shareholders' meetings and meetings of corporate bodies of, amongst others, stock corporations and limited liability companies, can also be carried out without the physical presence of the participants. The Minister of Justice has issued guidance for the virtual conduct of such meetings<br>► In general, a virtual meeting is admissible, if the participants are connected in real time by means of an acoustic and optical two-way connection and each participant has the opportunity to speak and participate in the voting process. If some or a maximum of half of the participants do not have the technical requirements or do not want to participate in such a way, a virtual meeting can be held if such participants are connected in an acoustic way. The decision whether to hold a virtual meeting and which (connection) technology to use is to be taken by the body or member of the body convening the meeting (whereby the interests of the company as well as those of the participants have to be taken into account). The technical and organisational requirements have to be outlined when a virtual meeting shall be convened. In case of any doubt over the identity of a participant, the company is required to prove the identity in an appropriate manner<br>► From the text of the law, physical meetings of corporate bodies can again be held without any restrictions. Nevertheless, those who convene such meetings will be well advised, if only on the basis of their duty of care, to consider whether they should work towards (voluntary) compliance with keeping distance and wearing masks | Stock corporations and limited liability companies | Live |

# COVID-19 Response: Austria (Continued)

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Virtual meetings (continued)**<br>► Different rules have been imposed for a general meeting of Austrian stock corporations. It is sufficient if the participants can follow the meeting in real time mode by means of an acoustic and optical connection - speaking and voting rights need to be ensured by other means (e.g., chat functions, apps). Certain limitations might be imposed like limited speaking slots or virtual meetings can be held even in case such meetings are not allowed for in the articles of association. For (i) listed companies, (ii) companies whose shares are traded via a multilateral trading system and (iii) companies with more than 50 shareholders, shareholders can be forced that their individual shareholders' rights shall be delegated to a special proxy (the stock company must select a total of four independent voting agents, at least two of whom must be lawyers or public notaries). The costs for such proxy shall be borne by the stock corporation | Stock corporations | Live |
| **Extension of period for holding of ordinary meeting**<br>► In 2020 the ordinary general meeting of, amongst others, a stock corporation and limited liability company must take place within the first twelve (not eight) months of the financial year of the company concerned. If the financial year corresponds to the calendar year, the ordinary general meeting must be held by the end of December (not August) 2020 | Stock corporations and limited liability companies | Live |
| **Extension of filing deadlines for financial statements and accounting documents**<br>► If, as a result of the COVID-19 pandemic, it is not possible for, amongst others, stock corporations and limited liability companies, to prepare, amongst others, the annual financial statements in the first five months, this period may be extended by a maximum of four months. The same applies to other accounting documents which must be prepared within the same period of time. The annual financial statements and all documents to be filed at the same time must be filed with the Commercial Register Court twelve (not nine) months after the balance sheet date. This applies to accounting documents for which the preparation period has not already lapsed on 16 March 2020. These provisions shall expire at the end of 31 December 2020 and shall be applied for the last time to accounting documents for balance sheet dates prior to 31 August 2020. For all annual financial statements that have to be to be prepared on or before 16 March 2020 and filed with the Commercial Register Court after 21 March 2020, the filing period is extended by 40 days. Example: If the balance sheet date is 31 December, the annual financial statements must be submitted to the commercial register court by 30 September 2020. This period is extended by 40 days, i.e., ends on 9 November 2020 | Stock corporations and limited liability companies | Live |

# COVID-19 Response: Austria (Continued)

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| ► **Duty to file for insolvency** proceedings extended from 60-days to 120-days if insolvency (illiquidity or over-indebtedness) is directly or indirectly caused by COVID-19<br>► **Further measures possible** | All companies – unless (i) insolvency is not caused by effects of COVID-19; (ii) or the company does not seriously pursue a promising attempt to rescue its business | Doubled duty to file period applicable from 22 March 2020 (but arguably also applicable for duty to file periods already running at this date) – there is no end date |

# Belgium

# COVID-19 Response: Belgium

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Guarantee scheme**<br>► Guarantee scheme: for new, additional loans and credit lines with max. term of 12 months granted by Belgian banks (or Belgian branches of banks) between 1 April 2020 and 31 December 2020 instead of 30 September 2020 (incl. revolving and term loans – excl. refinancing). Process is that eligible lenders receive an "envelope", which is a share in the total amount of the state guarantee (€50 billion), and, within the limits of that envelope, put together a portfolio of "guaranteed credits" | ► Viable Belgian entities (i.e., non-financial companies, SMEs, the self-employed and non-profit organisations) experiencing decrease in turn-over and/or technical unemployment and/or ordered to shut down operations (COVID-19 related issues, of which proof must be delivered)<br>► Availability of the State guarantee for onward intragroup lending or intragroup reimbursements to prevent call on guarantees is uncertain<br>► Maximum amount available per borrower: on a consolidated basis, the lowest of either €50 million or an amount equal to liquidity requirements during a period of 12 months (18 months for SMEs). The limit can only be increased by Royal Decree, upon borrower's request/motivation | From 1 April 2020 until 31 March 2023 (deadline for banks to submit request to call upon state guarantee) |

# COVID-19 Response: Belgium

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Bank loan payment extension**<br>► Belgian banks offer a payment extension for existing facilities granted by banks<br>– This deferral only applies to principal amount and not to interest<br>– It concerns all usual types of facilities (excl. leasing/factoring)<br>– There are no costs attached (except ordinary interests) | ► Payments issues caused by COVID-19 crisis (decrease in turn-over and/or technical unemployment scheme and/or compulsory closure of business);<br>► There must be a permanent establishment in Belgium;<br>► Entities (i.e., non-financial companies, SMEs, the self-employed and non-profit organisations) are not in default on 1 February 2020 with regard to other debts (e.g., credits/taxes/social security contributions) or less than 30 days arrears on aforesaid debts on 29 February 2020;<br>► Entities fulfilled their contractual obligations with banks during last 12 months prior to 31 January 2020;<br>► Entities are not subject to active credit restructuring; and<br>► Requests submitted before or on 30 April 2020: maximum of 6 months payment extension may be obtained, meaning: until 31 December 2020 at the latest. Requests submitted after 30 April 2020: the final date remains 31 December 2020<br>If conditions are fulfilled, banks must grant payment deferral. In case of unfounded refusal, banks are unable to call upon state guarantee | Deferral during six months (until 31 October 2020 at the latest) |

# COVID-19 Response: Belgium

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **SME loan guarantee scheme**<br>► For credit agreements with a term between 12 and 36 months<br>► Key take-aways are:<br>– Guaranteed are new credits with a maturity between 12 months and 36 months and may be granted from 24 July 2020 until 31 December 2020. By royal decree, this period could be extended if necessary, as a result of the COVID-19 crisis<br>– Excluded from the guarantee are refinancing credits, drawdowns of credits, leasing agreements, factoring agreements, consumer credits and mortgage credits<br>– The new state guarantee scheme is optional<br>– The state guarantee covers 80% of the loss incurred on each credit. The state guarantee applies at the level of the individual credit. It is a guarantee under the legal privilege of execution<br>– The premium shall be 50 bps on an annual basis of the maximum principal amount for each credit covered. Credits placed under the guarantee by the lender may have an interest rate of up to 2% on an annual basis (excl. the imputation to the borrower of the aforementioned fee) | ► “Eligible Lenders”, i.e., lenders that are capable of granting these guaranteed credits, are those mentioned in the Law of 27 March 2020 (see above)<br>► “Eligible Borrowers” are (non-financial) SMEs, as defined in the Belgian Code on Companies and Associations Code, registered with the Crossroads Bank for Enterprises, incl. self-employed persons and the non-profit sector<br>► The guaranteed principal amount per borrower is limited to the higher of the following amounts (on a group basis in each case):<br>– the borrower's liquidity needs for 18 months as attested by the borrower;<br>– twice the borrower's total annual wage bill;<br>– 25% of the borrower's turnover<br>► Please note that enterprises ineligible for this additional guarantee, can receive financial support through the state guarantee scheme | Live |

# COVID-19 Response: Belgium

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Non-bank loan guarantee scheme**<br>► Enlarged guarantee scheme (current limit: €300 million + additional amount: €100 million): guarantee for 75 % for bridging loans in relation to existing non-bank debts (e.g., VAT, tax, wages, rent) no older than 12 months in exchange for a one-off premium of 0.25 % / guarantee for 50 % for existing bank debts for which bank agrees grant min. 3 months payment deferral or that have a remaining term of 3 months | ► Eligible entities are Flemish companies, SMEs and self-employed persons that suffered financial difficulties due to the COVID-19 outbreak. Commitments can only be covered under this guarantee in case they do not benefit from the state guarantee or do not fall within the scope of the payment deferral granted by the Belgian banking sector. In addition entities should not have been in default on 1 February 2020 regarding other debts (e.g., credits/taxes/social security contributions) / less than 30 days arrears on aforesaid debts on 29 February 2020 | Live until end of 2020 |

# COVID-19 Response: Belgium

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Gigarant scheme**<br>▸ *Participatiemaatschappij Vlaanderen* (PMV - a financial organisation owned by the Flemish government) offers financial support ("Gigarant scheme", total limit: €3 billion) by: (i) covering up to 80 % of commitments of Flemish businesses in need of guarantees greater than €1.5 million; through capital and (ii) evaluating with borrowers and businesses which measures should/could be taken to ease financial burdens, (iii) with a term of up to eight years. PMV is also able to invest in companies by means of a capital contribution or providing a loan. In exchange, a periodic guarantee premium has to be paid (at market value) and the guaranteed amount cannot be used to make (in)direct payments to company shareholders/management (unless based on existing agreements in line with the market). PMV has also announced that it can grant subordinated loans for a term of three years to SMEs | ▸ SMEs and large companies in need of guarantee for amounts exceeding €1.5 million for loans made to businesses. Certain conditions must be met, e.g., not being in financial difficulties until 31 December 2019; present a substantiated business plan; allocating the underlying financing to economic activities in Flanders;... + companies making use of Start-up Financing (*Startlening/Prêt de démarrage*) and Co-Financing arrangements (*Cofinanciering/Cofinancement*) schemes and businesses that have been granted loans by PMV or businesses in which PMV has an equity interest<br>▸ The Gigarant guarantee appears to be available only for entities that do not yet receive support through the federal guarantee arrangements (see the first row on the preceding slide). The amount of guaranteed funding per company will be limited temporarily in accordance with European regulations (= twice the total annual gross wage bill 2019 or 25% of total turnover 2019 or, subject to appropriate justification, the liquidity requirements for the next 18 months for an SME and for the next 12 months for a large company) | Live until end of 2020 |
| – Subordinated loans between €25,000 and €2,800,000 (different rules apply for loans up to €800,000, and loans between €800,000 and €2,800,000). The loan granted must fully cover an undertaking's financial needs during at least 12 months<br>▸ Applicable interest rates: for start-ups & scale-ups: 5% (up to €800,000) or 6 % (between €800,000 and €2,800,000); for SMEs and self-employed: 4,5 % | ▸ Subordinated loans: primarily intended for start-ups and scale-ups but can also be granted to mature companies (SMEs and self-employed). Several conditions are to be fulfilled (August 2020: some conditions have been softened), e.g., no arrears on current loans, taxes, VAT or social security at the beginning of the COVID-19 crisis; and not being considered a business in difficulty (non-exhaustive list). In addition, banks must commit to retain existing credits and/or allow payment deferral of the principal amount. A subordinated loan cannot be combined with the nuisance premium and the corona compensation premium | Subordinated loans: requests can be submitted until 15 November 2020 |

# COVID-19 Response: Belgium

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Proxi loans**<br>▸ Mobilization of private savings through 'proxy-loans' (€1 million), for the benefit of SMEs. Citizens that are prepared to commit their savings, may be rewarded by means of a 'tax credit') (i.e., a tax discount in the personal income tax)<br>▸ The Proxi Loan is subordinated, both in respect of the borrower's existing and future debts;<br>▸ The interest rate of the Proxi Loan is a minimum of 0.875% and a maximum of 1.75% (legal interest rate for 2020);<br>▸ The Proxi loan has a term of 5 or 8 years | ▸ All self-employed persons, SMEs and associations of the Brussels-Capital Region with an economic activity can benefit from the Proxi loan<br>▸ The borrower may use the amount borrowed only for the pursuit of his business activities<br>▸ The Proxi Loan may indicate that the borrower can repay the loan early, by a one-off payment of the outstanding balance in principal and interest<br>▸ The borrower may not borrow more than €300,000 (instead of €250,000) in 2020 and 2021<br>▸ The lender can invest a maximum of €75,000 (instead of €50,000) per company per fiscal year in 2020 and 2021, with an absolute maximum of €200,000<br>▸ The lender benefits from an annual tax credit:<br>    ▸ of 4% of the amount borrowed during the first three years;<br>    ▸ then of 2.5% for the following years;<br>▸ If the borrower is unable to repay (e.g., due to bankruptcy), the lender can recover 30% of the outstanding amount via a one-off tax credit | |

# COVID-19 Response: Belgium

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **Income tax payment extension**<br>► With respect to the payment of corporate income tax (resident and non-resident), personal income tax (resident and non-resident) and legal entities tax, the usual payment terms have been automatically extended by two months (in addition to the normal payment term and without late payment interest becoming due) | ► All taxpayers subject to the relevant tax | For assessments as of 12 March |
| **Customs payment extension**<br>► Customs & Excises also amended the electronic customs portal PLDA and extended payment terms from one week to four weeks for (a) excise duties and packaging levy on alcohol and alcoholic and non-alcoholic beverages; and (b) import VAT. This extension of payment terms applies until 30 June 2020 and only to the abovementioned taxes in PLDA | ► All taxpayers subject to the relevant tax | Extension applies until 31 December 2020 |
| **Late payment flexibility**<br>► Companies facing financial difficulties as a result of the COVID-19 pandemic, regardless of their activity or sector, can additionally request (i) a further deferral of payment, (ii) a waiver of late payment interest and (iii) a waiver of late payment fines. These measures can be requested for VAT, wage withholding tax, corporate income tax, personal income tax and legal entities tax. A company can request to apply (one or more of) these measures using a form specifically issued for this purpose and should submit a separate request for each individual debt | ► All Belgian registered businesses (both companies and self-employed individuals) are entitled to these measures if it can be shown that they have incurred nuisance from the spreading of the COVID-19 and the correlating measures | Application to be filed by 31 December 2020 at the latest |
| **No December 2020 advance payment**<br>► All VAT taxable persons filing periodical VAT returns (i.e., monthly or quarterly VAT returns) are not obliged to pay the December advance payment in December 2020. As a result, the VAT due on the transactions carried out in December respectively Q4 of 2020 shall only have to be paid to the Belgian State on 20 January 2021 at the latest | ► All VAT taxable persons filing periodical VAT returns (i.e., monthly or quarterly VAT returns) | VAT return December 2020 |

# COVID-19 Response: Belgium

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **Tax credit increase**<br>► If self-employed persons and companies are in a tax paying position and do not make timely prepayments of income taxes, a tax increase will be imposed. Each quarter a prepayment can be made, and each prepayment leads to a tax credit which reduces the tax increase suffered if no prepayments would have been made. A prepayment made in the first quarter results in a higher tax credit than a prepayment made in a later quarter. Many self-employed persons and companies are currently facing liquidity problems due to the COVID-19 crisis and can therefore not make prepayments. In order to avoid that they are being penalized if they only prepay the taxes later this year, the tax credits for the last two quarters are increased. The measure shall apply to prepayments relating to a taxable period ending between 30 September 2020 and 31 January 2021 included | ► For companies and self-employed persons facing liquidity problems as a result of the COVID-19 crisis. This measure therefore does not apply to companies that repurchase own share, make a capital reduction or that attribute or pay a dividend between 12 March 2020 and 31 December 2020. Taxpayers having certain ties with tax havens are also excluded from this rule | 2020 |
| **Loss carry back**<br>► In principle, tax losses can only be carried forward and no carry-back to previous tax years exist in Belgium. However, in order to improve the cash position of businesses and companies, a one-time possibility is introduced to carry-back the losses incurred during the COVID-19 crisis to compensate the taxable profits of the previous financial year. Limitations may apply to the amount that can be carried back | ► Self-employed persons and companies who were not yet in difficulties when corona started. This measure does not apply to companies that repurchase own share, make a capital reduction or that attribute or pay a dividend between 12 March 2020 up to and including the filing of the CIT return in relation to assessment year 2021. Taxpayers subject to a special tax regime or having certain ties with tax havens are also excluded from this rule | Self-employed persons: the loss expected in income year 2020 due to the COVID-19 crisis can be carried back to income year 2019<br>Companies: the estimated loss incurred in the COVID-19 year can be carried back to the taxable profit realized during a financial year closing between 13 March 2019 and 31 July 2020 |

# COVID-19 Response: Belgium

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
| --- | --- | --- |
| **Tax** | | |
| **Reduced 6% VAT rate (instead of 21%) on the supply, intra-Community acquisition and import of certain PPE's**<br>► In order to stimulate the supply of goods which are required to comply with the preventive measures in the fight against the COVID-19 pandemic, the Federal Government has decided to temporarily apply the reduced VAT rate of 6% (instead of the standard rate of 21%) on the supply, intra-Community acquisition and import of:<br>– face masks, classified under the CN codes 4818 90 10 00, 4818 90 90 00, 6307 90 98 10, 6307 90 98 91, 6307 90 98 99 and 9020 00 00 10, and<br>– hydro alcoholic gels | ► All VAT taxable persons | From 4 May 2020 to 31 December 2020 |

# COVID-19 Response: Belgium

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Temporary unemployment due to *force majeure* (COVID-19 procedure)**<br>► Companies temporarily unable to employ their staff due to government measures or the socio-economic or operational effects of the COVID-19 crisis can apply for temporary unemployment relief (furlough) by means of a simplified procedure. Temporary unemployment relief suspends all employment agreements and relieves the employer from its payment obligations. This simplified procedure is only applicable to companies complying with the certain 'eligibility' conditions. Other companies will have to rely the normal procedures for temporary unemployment or the transitional measures<br>► Employees are entitled to unemployment relief equal to 70% of the employee's average remuneration capped at €2,754.60 per month which will be borne by the government. After 31 December 2020, the percentage of capped average remuneration will decrease to 65% | ► Companies that can demonstrate that they belong to a sector that is still particularly affected by the restrictive measures adopted by the Government; or<br>► Companies that can demonstrate at least 20% temporary unemployment for force majeure corona or temporary unemployment for economic reasons in the second quarter of 2020 compared to the total number of days declared in this quarter to the National Social Security Office | From 1 September 2020 to 31 December 2020 |
| **Temporary unemployment for white-collar workers**<br>► Separate transitional measures are provided for white-collar and blue-collar workers. White-collar workers can choose between the classic system and a transitional system. The transitional system is for companies that cannot use the simplified procedure for temporary unemployment but are still facing difficulties because of COVID-19. It provides for more flexible conditions in case of temporary unemployment for economic reasons. It provides for more flexible conditions in case of temporary unemployment for economic reasons | ► Companies with a decrease of at least 10% in turnover / production during the quarter preceding the request of the temporary unemployment scheme compared to the same quarter of 2019 | From 1 September 2020 to 31 December 2020 |
| **Temporary unemployment for blue-collar workers**<br>► Only one system applies to blue-collar workers, namely the classic system as it existed before COVID-19, but with extension of the maximum duration of temporary unemployment as a transitional measure | ► Substantial economic and operational hardship such as lack of supply, lack of orders, substantial decrease of orders, 10% loss of turnover, negative impact of the governmental measures to prevent further spreading of the virus (lock down) | From 1 September 2020 to 31 December 2020 |

# COVID-19 Response: Belgium

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Temporary unemployment for parents in the event of closure of schools or childcare institutions**<br>► Companies with employees who face problems caring for their children because of the closure of schools or childcare can opt for a specific regime of temporary unemployment | ► Employees whose underage children are confronted with the closure of childcare or school because of measures regarding COVID-19<br>► It is required that the parent concerned lives under the same roof as his/her child<br>► The same applies to the care of a disabled child, regardless of his/her age | From 1 October 2020 to 31 December 2020 |
| **Amicable payment plan for social security contributions**<br>► Companies recognized as being in restructuring or facing difficulties can temporarily reduce the working time of employees by 1/4 or 1/5th , possibly in combination with the introduction of a 4-day working week. Companies will then receive a reduction in social security contributions provided that they pay their employees a minimum compensation for their loss of salary. This reduction can be implemented for a maximum period of 1 year and by means of a CBA/adjustment of the work regulations<br>► Measures were also taken to protect companies and employees belonging to Joint Committee 302 (hospitality sector). These companies are exempt from social security contributions for Q3 and the end-of-year premium of the employees is paid by the government | ► Companies recognized as being in restructuring or facing difficulties | From 1 March 2020 to 31 December 2020 |

# COVID-19 Response: Belgium

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
| --- | --- | --- |
| **Grants** | | |
| ► **Corona-subsidy:** for all undertakings in the Flemish Region, the revenue of which was 60 % lower during August and September 2020 compared to the same period in 2019. The subsidy is 7,5 % of the revenue realized in August and September 2019 (max. €5,000) | ► There is a separate regime for undertakings which did not realize a full-fledged revenue in 2019<br>► Catering sector: only eligible if using a registered cash system ("*witte kassa/caisse blanche*")<br>► Undertakings that must still close their businesses in August / September, can request an advance payment of max. €2,000 | Requests to be submitted between 1 October 2020 and 15 November 2020 – via Vlaio |
| ► Brussels hotels and aparthotels can count on additional financial support: a premium of €1,100 per accommodation unit, up to a maximum of €200,000 per establishment and €800,000 per beneficiary<br>► Hotels or aparthotels with a basic capacity of 18 accommodation units or less receive a flat-rate premium of €20,000 | ► Conditions to be fulfilled, such as having both an active registration number and valid town planning and fire safety certificates for the hotels and aparthotels for which they wish to receive support; not having any tax and social security debts at the time of application and being compliant when the annual accounts are published with the National Bank | Submit request by 13 November 2020 at the latest. The decision is notified to the beneficiary by 31 December 2020 at the latest |
| ► Brussels businesses and self-employed persons active in the event, entertainment, tourism and cultural sector, who have not yet been able to resume their activities as a result of the COVID-19 measures adopted by the National Security Council or that are still severely affected by these measures, may receive a new premium ranging between €3,000 and €9,000 | In order to qualify for the premium, the enterprise or self-employed person must :<br>► employ less than 50 employees in full-time equivalents<br>► have at least 1 establishment in the Brussels-Capital Region which, on 18 March 2020, was registered with the Crossroads Bank for Enterprises, exercise an economic activity there and have resources specifically intended for it;<br>► carry out an activity included in the list of VAT activities eligible for aid; that list is annexed to the decision of the Government of the Brussels-Capital Region of 15 October 2020 and contains all the sectors eligible for aid, classified according to their NACE BEL 2008 code; and<br>► comply with its obligations regarding VAT returns and payments on 20 October 2020 | Submit request no later than 4 December 2020<br>The beneficiary will be notified by 24 December 2020 at the latest whether or not he/she will receive the premium |

# COVID-19 Response: Belgium

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Grants** | | |
| ▸ Flemish government has decided to grant a corona subsidy to enterprises amounting to 10% of the turnover, excluding VAT<br>▸ Companies have the option to submit an application for the period from 1 October 2020 - 15 November 2020 or from 19 October 2020 - 18 November 2020<br>– If the company opts for the period from 1 October to 15 November 2020, the maximum amount of the subsidy is:<br>▸ €11,250 for enterprises with max. 9 employees;<br>▸ €22,500 for enterprises employing 10 employees or more<br>– If the company opts for the period from 19 October to 18 November 2020 or in the case below, the maximum subsidy is as follows:<br>▸ €7,500 with max. 9 employees,<br>▸ €15,000 for companies employing 10 employees or more,<br>▸ And the company must have a fall in turnover of at least 60% as a result of the COVID-19 measures<br>– Derogation from the above: no reduction in turnover must be demonstrated if the main activity of the company on 19 October 2020 belongs to the catering sector and the company had to close as a result of the COVID-19 measures<br>▸ The subsidy amounts to 10% of turnover exl. VAT for the period 19 October 2019 - 18 November 2019<br>▸ Not applicable if turnover in the aforementioned period is 50% or more in take away activities | ▸ Only enterprises that were eligible to call upon the other corona premiums of the Flemish government (see above) are eligible to receive this new corona subsidy<br>▸ The following enterprises are not eligible for the grant:<br>– enterprises that find themselves in a situation of:<br>▸ dissolution;<br>▸ discontinuation;<br>▸ bankruptcy;<br>▸ liquidation;<br>– holding companies, management or patrimonial companies;<br>– companies of which the managing director is affiliated as a director or partner with another company that received the subsidy and to which they provide business services;<br>– companies that have outstanding debts vis-à-vis VLAIO following the recovery of a corona nuisance premium, corona compensation premium, corona support premium<br>– enterprises that had not yet started their activities on 1 October 2020 | Application period from 1 October 2020 to 15 November 2020<br>or from<br>19 October 2020 to 18 November 2020 |

# COVID-19 Response: Belgium

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| ▸ **Reinsurance Programme** on basis of protocol agreement concluded between the Federal government/Assuralia/private trade credit insurers:<br>– Max. budget is €903.2 million, representing the maximum losses for the Belgian State under the Reinsurance Programme<br>– The Programme applies to products of trade credit insurance and surety between companies (B2B); it also applies to trade receivables from both Belgian buyers (debtors) and buyers abroad and to suretyships in favour of both customers in Belgium and abroad<br>– The Programme covers risks attaching to the period from 1 January 2020 until 31 December 2020, incl. losses occurring before 27 March 2020 it applies to risks located worldwide, with the exception of countries under sanctions<br>– The maximum risk per debtor for an insurer is €50 million. This amount can be exceeded by means of a special acceptance by Credendo<br>– By the end of September 2020, the European Commission will decide whether the temporary State aid will be extended beyond 31 December 2020 in accordance with the 2012 Communication as amended | ▸ The Programme would cover short-term commercial credit insurance (< 2 years) taken out by policyholders domiciled in Belgium with Belgian (branches of foreign) credit insurers<br>▸ Credit insurers undertake to keep intact until the end of year 2020 the credit limits actually used in the 12 months preceding 1 March 2020. In return, Credendo – Export Credit Agency (acting on behalf of the State) undertakes to reinsure the risks underwritten by the credit insurers<br>▸ Shared contribution: credit insurers cede part of their premiums to the State / continue to take on part of losses (sharing evolves according to loss ratios)<br>– Concrete figures:<br>▸ In the first stage of the loss ratio from 0 to 100%, there is an equal distribution of losses between the participating insurers and Credendo ECA: each have a share in the losses of 50%<br>▸ In the second stage of the loss ratio of 100 to 300%, the participating insurers participate with 20% and Credendo ECA with 80% in the losses for the tranche above 100%<br>▸ In the third stage of the loss ratio of 300 to 1000%, the participating insurers participate with 10% and Credendo ECA with 90% in the losses | Agreement has been approved by EU |

# COVID-19 Response: Belgium (Continued)

## Other Considerations

### Directors' duties and liabilities

As a general principle, directors must exercise their mandate with due care and diligence, the yardstick being what would be expected from a careful and diligent director in the same circumstances. Business decisions must always be taken in the best interest of the company, taking into account the interests of all shareholders and other stakeholders - like employees, customers, creditors and suppliers. Within that context, it will therefore be the primary responsibility of the directors to take the necessary measures to mitigate the business, financial and human risks caused by COVID-19.

Both financial and non-financial risks (such as reputational loss) must be scrutinized, it being understood that all companies must also address challenges specific to their industry and regulatory environment (e.g., health and safety, liquidity situation, financing and commercial agreements, corporate transactions, etc.).

# COVID-19 Response: Belgium (Continued)

## Remote Board meetings

The Belgian Companies and Associations Code (**BCAC**) now allows for decision making by the board via written resolutions in both the NV/SA and the BV/SRL, without the need for an explicit provision in the articles of association. However, some limitations apply: (i) the resolutions need to be unanimous and (ii) the articles of association can exclude certain topics from the application of the written resolutions' procedure. It will therefore be important to verify the articles of association before applying the written resolution procedure. If the articles of association are not yet updated in light of the BCAC, it could be that the old legal regime has been included in the text and that the articles of association still require the exceptional circumstances and urgency or exclude the adoption of the annual accounts. For board meetings to be held or convened or which should have been held or convened between 1 March 2020 and 30 June 2020 (it being specified that the meetings can be held after this latter date if they were convened during the period concerned), a Royal Decree of 9 April 2020 provided that the board of directors may adopt unanimous resolutions by any means of written communication, regardless of any legal provision or provision in the articles of association to the contrary.

There are of course many circumstances in which (unanimous) written resolutions are not an option: one or more directors might oppose or be unavailable to sign, the need to thoroughly discuss difficult decisions, etc. In such case remote board meetings by conference or video calls can offer a good alternative for a physical meeting, provided that the technology used allows the directors to properly deliberate, meaning they should be able to interact and discuss live and simultaneously. The BCAC remains silent on the possibility of conference and video calls, but the practice is widely spread and generally accepted by a majority of legal scholars, although a minority argue that the articles of association should provide for it. We are of the opinion that this practice is valid and will become more and more market practice, particularly given the current macro-economic environment. The abovementioned Royal Decree of 9 April 2020 expressly confirmed our position for board meetings to be held or convened during the period set out above.

# COVID-19 Response: Belgium (Continued)

### Shareholders' meetings

- The shareholders of both the NV/SA and the BV/SRL can in principle only meet by electronic means if the articles of association of the company expressly allow it. The same applies to the possibility for the shareholders to vote in writing before a meeting. Moreover, a resolution must obtain the unanimous consent of all shareholders in order to be adopted in writing.
- By way of exception, the abovementioned Royal Decree of 9 April 2020 provided that the directors can impose on the shareholders (and other participants in the shareholders' meeting) to (i) cast their votes by correspondence prior to the meeting or (ii) grant a power of attorney before the meeting (as the case may be, to a person designated by the directors) with specific voting instructions, in accordance with the procedure set out in the Royal Decree. The company can also organise the remote participation of the shareholders and other participants. In addition, the directors can decide to postpone the approval of the annual accounts by the shareholders beyond the statutory date. The Royal Decree overrides any legal provision or provision of the articles of association to the contrary. These temporary measures applied to shareholders' meetings to be held or convened or which should have been held or convened between 1 March 2020 and 30 June 2020 (meetings convened during this period can be held thereafter).
- Specific provisions apply to board meetings and shareholders' meetings to be held in front a notary public (e.g., to amend the articles of association of the company). Such meetings still require the physical presence of the notary public and a representative or proxy holder of the company.
- In an FAQ relating to the abovementioned Royal Decree, the Ministry of Justice specified that general meetings can be held by conference call or video conference outside the scope of the Royal Decree provided the participants are validly convened, can deliberate, debate and vote and can sufficiently identify themselves (which is only possible with a limited number of participants). Such general meetings should be considered as 'actual' meetings.
- A draft bill dated 27 October 2020 proposes to abolish the obligation to provide the possibility to participate in the shareholders' meetings by electronic means in the articles of association. Should this bill be adopted, the remote participation will be legally permitted without any specific authorisation in the articles of association being required. The electronic means will have to (i) grant a direct, simultaneous and continuous access to the discussions, (ii) as far as the shareholders are concerned, allow them to exercise their voting right and (iii) enable the company to control the capacity and identity of the shareholders.

# COVID-19 Response: Belgium (Continued)

**Note:**

- This document only summarizes key measures implemented to benefit businesses operating in Belgium
- The measures described above were in place as of **30 October 2020**. Updates and additional government measures are expected

# Denmark

# COVID-19 Response: Denmark

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Interest-free VAT loans to SMEs and tax on labor costs for certain businesses**<br>SMEs may apply for interest-free VAT loans for an amount equal to the VAT, which the company declared for Q4 2019 (for medium enterprises) and H2 2019 (for small enterprises)<br>Additionally, SMEs may apply for interest-free VAT loans for an amount equal to the tax on labor costs, which the company declared for Q1 2020 | Companies with VAT-required deliveries not exceeding DKK 50M, and hence that do not pay VAT on a monthly basis | Applications are open |
| **Tax** | | |
| **Postponement of the deadline for payment of VAT and taxes** | Companies that are subject to Danish tax | Varies |

# COVID-19 Response: Denmark

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Salary compensation scheme**<br>► Companies will be compensated by the Danish government for 75% of the salaries which they must pay to employees who have been requested to go on temporary unemployment (capped at DKK 30,000 (c. €4,000) per month for each employee). The remaining 25% (or the amount above DKK 30,000 (c. €4,000) per month) must be paid by the company. For employees employed on an hourly basis, compensation will amount to 90% of their salary (capped at DKK 30,000 (c. €4,000) per month for each employee)<br>► The scheme requires that companies commit not to dismiss the relevant employees during the period in which the company receives compensation. In addition, the employees are not allowed to work during the compensation period<br>► The individual employees must take five days unpaid holiday during the compensation period<br>► Employers who apply for the salary compensation scheme for the period between 9 July 2020 until 29 August 2020 are subject to a requirement that the employees who are sent home take three weeks (15 days) of paid holiday if the employees have already accrued paid holiday in accordance with the Danish Holiday Act. In this period of three weeks, the employer will not receive any salary compensation<br>► For companies that are critically restrictícted by law to do business, the salary compensation scheme will continue beyond 29 August 2020 if such companies are subject to or effected by one or more of the following restrictions beyond 31 October 2020: (i) prohibition from opening; (ii) assembly ban of 500 persons; (iii) closing of the borders; or (iv) the Ministry of Foreign Affairs' traveling guidelines. The salary compensation scheme will regardless of any prohibtions expire 31 December 2020 at the latest<br>► Companies must apply to the Danish Business Authority to participate in the scheme | Companies in Denmark that lay off at least 30% of their employees or more than 50 employees in total | From 9 March to 8 July |

# COVID-19 Response: Denmark

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Danish Export Credit Agency ("DECA") schemes**<br>The DECA will offer a re-insurance scheme to cover Danish exporters' risk (i.e., companies will be compensated if their overseas customers default on their contractual payments)<br>In addition, the DECA will cover 80% of any bank losses on new lines of credit which are extended to secure the liquidity of exporting companies | Companies in Denmark that export goods | Not specified |

**Note:**

- This document only summarizes key measures implemented to benefit businesses operating in Denmark.
- The measures described above were in place as of **28 October 2020**. Updates and additional government measures are expected.

# Finland

# COVID-19 Response: Finland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
| --- | --- | --- |
| **Finance / Loan Schemes** | | |
| **Additional funding – state enterprise financing (Finnvera) regime adapted for COVID-19**<br>► With an increased financing mandate (from €4.2 billion to €12 billion), Finnvera provides support by guaranteeing loans issued by private Finnish banks, (in certain cases) by way of direct loans to Finnish companies, and by co-operating with the banking sector to facilitate installment-free periods for loans guaranteed or granted by it. For larger companies with working capital needs, Finnvera may guarantee liabilities up to €100 million. Moreover, the prices of Finnvera's guarantees have been reduced retroactively with lower rates being applicable to guarantees issued from 1 March | ► SMEs, midcaps and large companies with potential to operate profitably in the long term<br>► Since 11 September, banks have also been able apply for Finnvera guarantee on behalf of the company | 19 March |
| **State innovation, trade, travel and investment promotion (Business Finland) – easing of project funding conditions and introduction of a new research, development and innovation loan**<br>► Business Finland, the state funding organisation for innovation, trade, travel, and investment promotion, has eased project funding terms and conditions, accelerated payment of project expenses and project loan advances, introduced a new flexible research, development and innovation loan, and had its lending mandate increased by €300 million | ► Companies with Business Finland funded projects<br>► Research, development and innovation loans are available for SMEs and mid-caps (both private and listed) which (i) employ at least 6 people, (ii) have been affected by the COVID-19 pandemic, and (iii) operate in particular in the following sectors: commerce, logistics, hospitality, tourism, social and health services, temporary staffing services, software and manufacturing | 15 March<br><br>Application period has been extended until 30 November 2020 |
| **Commercial paper liquidity measures**<br>► The State Pension Fund of Finland (VER) and the Bank of Finland have both had the mandates of their commercial paper purchase programmes increased to €1 billion to meet the funding needs of businesses (complementary to the measures taken by the ECB) | ► Finnish issuers of commercial paper | Purchases started in March |

# COVID-19 Response: Finland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Additional funding for mid-caps (Tesi)**<br>► Tesi (Finnish Industry Investment Ltd), the state-owned venture capital and private equity investment company, has started an expedited temporary financing programme with the aim of ensuring that healthy businesses are not forced into bankruptcy by COVID-19. The size of the programme is €150 million, and individual investments are between €1 million and €10 million | ► Mid-cap companies employing and generating turnover in Finland, which (i) have a minimum turnover of €10 million, (ii) employ at least 50 employees, and (iii) have been commercially viable prior to the crisis and have the potential to stay viable | 14 April |
| **Investments in innovative technology companies looking for international growth (Tesi Venture Bridge Programme)**<br>► Tesi will provide bridge financing so as to give technology start-ups more time and resources for raising larger financing rounds. Investments will be made as convertible loans, which will be converted into equity in the next investment round<br>► Individual investments will be between €250,000 and €2 million in size | ► Aimed at companies who have previously raised at least seed financing from professional venture capital investors and that have had to postpone their next external financing round due to the COVID-19<br>► Unlisted companies which (i) have their headquarters or significant share of operations and employment potential in Finland, (ii) have raised at least €0.5 million in capital funding in the last three years, (iii) have had an investment round of at least €0.5 million with participation of professional venture capital investors, and (iv) will, with Tesi's investment, have their funding secured for at least 12 months until the next qualified investment round | 17 June |

# COVID-19 Response: Finland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Reduction in employer pension contributions**<br>▶ Statutory employment pension contribution of private sector employers will be decreased until 31 December 2020 by 2.6% from 25.3% to 22.7% of the employees' wages and salary<br>▶ Similarly, the payment of pension contributions by employers can be postponed for a period of three months<br>▶ Finnvera, the state enterprise financing company, will provide guarantees to facilitate re-borrowing of employer pension contributions for pension insurance payment purposes (so-called premium loans) | ▶ All private sector employers | 1 May |
| **Employee lay-offs for financial and production-related reasons**<br>▶ The rules around laying off Finnish employees will be temporarily relaxed until 31 December to give Finnish employers greater flexibility:<br>– Temporarily laying off fixed-term employees was made possible<br>– The minimum notification period applicable to temporary lay-offs was shortened from 14 to 5 days<br>– The minimum co-operation negotiation period applicable to temporary lay-offs of employees was similarly reduced from 14 days or 6 weeks (as applicable depending on the number of employees affected by the contemplated reductions and the total number of employees) to five days<br>– The existing right of employers to temporarily lay off employees before the conclusion of co-operation procedures in exceptional circumstances has been specified to apply to COVID-19<br>– Employers were given the ability to terminate employment contracts during probationary periods for financial or production-related reasons | ▶ All employers (co-operation obligation applies to employers employing regularly at least 20 employees)<br>▶ Where employers are bound by collective agreements, respective amendments to the collective agreements are necessary for employers to benefit from the proposed flexibility | 1 April<br>Many collective agreements already amended by labour market organisations |

# COVID-19 Response: Finland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Grants** | | |
| **Support to cover business costs**<br>► A second round of cost support measures is at an early stage of planning by the government. The cost support measures to be implemented are likely be similar to the cost support measure that was in place until the end of August<br>► In the previous cost support programme, the amount of cost support granted depended on the turnover decrease faced by the company as well as the magnitude of the applicant company's fixed costs and labour costs and was at maximum €500,000 per company | ► Small adjustments to eligibility criteria (e.g., in respect of the turnover decrease threshold) may be made in connection with the second round of cost support<br>► Previous criteria related to the applicant's main sector, the turnover decrease faced by the applicant relative to a comparison period, and the applicant's cost structure, i.e., whether it has payroll and fixed costs that are difficult to adjust | The government's plan is to open the programme for applications in December 2020 |

**Note:**

► This document only summarizes key business support measures announced or in place by **30 October 2020**. The government has also adopted other measures aimed more broadly at stimulating the economy as well as protecting the public's health from the impact of COVID-19. Updates and additional government measures are expected.

# France

# COVID-19 Response: France

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Guarantees (up to €300 billion) provided by the French State for one-year liquidity loans (as per government order dated 13 July 2020):**<br>▸ **For companies created on or after 1 January 2019**, the loan amount which may benefit from the guarantee is capped at the estimated amount of total employee gross remuneration in France over the first 2 years of activity (or, if this is more favorable to them: 25% of their 2019 turnover)<br>▸ **For companies created prior to 1 January 2019**, the loan amount which may benefit from the guarantee is capped at 25% of the 2019 turnover, except in 2 cases:<br>– innovative companies: the cap is set at up to 2 times the amount of total employee gross remuneration paid in France in 2019, if higher;<br>– companies in the tourism industry: the cap is set at the amount of their turnover during their best three months of 2019. This ceiling must be less than 12 months of the company's estimated cash-flow needs if, during the last financial year, it employed more than 250 people or if it had both turnover exceeding €50 million and total assets exceeding €43 million. Otherwise, this ceiling must be less than 18 months of its estimated cash-flow needs<br>▸ The portion of the loan amount covered by the guarantee depends on the size of the borrower:<br>– 90% for companies with fewer than 5000 employees in France and turnover below €1.5 billion;<br>– 80% for companies with a turnover between €1.5 billion and €5 billion;<br>– 70% for other companies<br>(continued on following page) | **All French enterprises (whether or or not incorporated) other than :**<br>▸ financial institutions (*établissements de credit* or *sociétés de financement*) ;<br>▸ real estate companies (*sociétés civiles immobilières*) except those which carry out an activity of construction-sale or mainly own historical monuments ; and<br>▸ those "in difficulty" within the meaning of EU law as at 31 December 2019 (the latter being excluded by the EU State Aid Temporary Framework) ;<br>▸ Eligible loans are those granted by financial institutions (*établissements de credit and sociétés de financement*) between 16 March 2020 and 30 June 2021, which are not otherwise guaranteed or secured (save for loans to large companies which can only benefit from the 70% or 80% state guarantee, for which other securities or guarantees may be requested) and which have the following characteristics:<br>– an amortization deferral of at least 12 months, i.e., no repayment required the first year;<br>– a provision giving borrowers the possibility, at the end of the first year, to extend the amortization period by one, two, three, four or five years (noting that the government has asked the French banking federation to review the possibility of deferring the repayment of these loans for a further year for companies that need it);<br>– the term of the loan may not exceed six years;<br>– the lender will need to be able to demonstrate, if the guarantee is called, that post-grant of the guaranteed loan, total amounts lent by that lender to the borrower were higher than those existing prior to 16 March 2020 (save for ordinary repayments resulting from amortization schedule agreed prior to 16 March 2010 or voluntary repayments by the borrower)<br>– there is no requirement as to price of loan in the law or the decree, but banks have been encouraged to lend "at cost" and the *federation bancaire française* has agreed to do so (although this is not binding on banks)<br>(continued on following page) | 16 March<br>(guaranteed loans effectively available as from 25 March)<br>Now available until 30 June 2021 (vs. 31 December 2020 initially) |

# COVID-19 Response: France

## GOVERNMENT MEASURES FOR BUSINESSES

### Finance / Loan Schemes

- The remuneration of the guarantee (to the benefit of the State) varies depending on the size of the borrower and the maturity of the loan. For borrowers above certain thresholds (more than 250 employees or turnover above €50 million or total assets on balance sheet above €43 million), the premium is 50bps for the first year and, if the borrower extends, 100bps for each of the first and second annual extensions, 200 bps for each additional extension after that. The premium is divided by two for smaller borrowers. The first portion of the premium (the initial 50 bps or 25 bps) is payable when the guarantee is granted (although the lender will need to advance this payment and will only recover from the borrower after 12 months) and the additional portion is due if and when the borrower exercises the possibility to extend the maturity of the loan
- The guarantee does not apply in case of default during the first two months following drawdown of the loan, or if it turns out that the criteria were not met at the date of the drawdown of the loan
- The guarantee covers the loss realised by the lender after exercise by the latter of all in and out of court remedies available after a default. A decree of 17 April has specified that in case of a credit event or payment default, the lender may obtain, within 90 days of making the request, a provisional payment under the guarantee corresponding to its estimated loss (and proportional to the guaranteed percentage). Once the indemnifiable loss has been finally determined, the lender is entitled to an additional payment if the loss if higher or must repay if the loss is smaller
- The guarantee passes in case of transfer of the loan only if transfer is made to an affiliate of the lender. Otherwise, the assignment, directly or indirectly, by the lender of all or part of the loan to the benefit of any third party will result in the loss of the benefit of the guarantee in proportion to the amount of the assigned loan. This forfeiture takes effect as of the date of assignment

## ELIGIBILITY

- Guarantee is automatic for companies with fewer than 5000 employees and turnover below €1.5 billion in France – this first however requires a bank willing to advance the loan (and we are aware of practical difficulties faced by certain companies, which had encountered financial difficulties in the past); government order required for companies exceeding either of these thresholds
- **Large companies who pay out dividends or buy back shares between 27 March 2020 and 31 December 2020 or which have their head office or subsidiaries in non-cooperative jurisdictions cannot benefit from the State guarantee.** Large companies are defined as independent companies or groups which, in their last financial year, had at least 5000 employees or consolidated turnover above €1.5 billion in France. Groups for this purpose are defined by reference to the definition of groups for the purpose of French tax consolidation and would thus only include French entities. Intra-group dividend distributions intended to provide financial support to a French company (in particular to allow it to service its debt) remain permitted even for large companies
- There is no restriction in the law or the decree as to use of funds by a French company with foreign subsidiaries. In the Q&A released by the French Government on state-guaranteed loans, the government has however mentioned that it was expected that funds would be used to preserve activity and employment in France and that intended use could be reviewed in the context of loans to large companies for which the grant of the state guarantee requires express approval from the government

## WHEN?

16 March

(guaranteed loans effectively available as from 25 March)

Loans made though crowdfunding platforms eligible to the state guarantee since the second rectifying Finance Act of 25 April

# COVID-19 Response: France

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Direct loans form the State**<br>► Companies that justify their inability to finance themselves in the private sector can be granted loans directly by the State | ► All businesses, regardless of size and field of activity, provided they demonstrate their inability to get private financing | Current – available until 30 June 2021 |
| **Bank loan payment holiday**<br>The Fédération Bancaire Française, the professional organization of banks in France, has also announced that banks would allow to defer, without any penalty, credit repayments by up to six months. The French public investment bank (Bpifrance) has also announced that it could provide guarantees for medium-term loans or overdraft facilities granted to companies with less than 5000 employees or even direct loans to these companies | | March |

# COVID-19 Response: France

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **Deferral of direct taxes**<br>► Possibility to postpone for up to three months without any penalty direct taxes due in March and April (in particular, corporate income tax instalment and salary tax due in March). May filing deadlines (for corporate income tax and business tax (CVAE)) were postponed to 30 June and enterprises could ask for a deferral of direct taxes due in May. The May payment deadlines applicable to the balance of 2019 corporate income tax due by companies closing their fiscal year on 31 December 2019 and to the balance of 2019 CVAE were automatically postponed to 30 June. A larger flexibility is given to taxpayers to compute their corporate income tax and CVAE instalments subject, for large companies, to not paying out dividends (see next column)<br>► Salary tax due in May, June and July were postponed to September, October and November respectively<br>► Possibility to suspend monthly prepayments of local taxes (CFE and property tax) which would then be payable at the same time as the balance. For companies in the hotel, restaurant, tourism, event, sports, culture and air transport sectors, payment of the 15 June CFE instalment was automatically postponed to 15 December 2020. For those concerned by an interruption or restriction of their activity as a result of a closure measure in curfew areas, or facing difficulties financial issues related to the health crisis can postpone by three months payment of their property tax normally due in November<br>► Deferral of payments and even waivers of taxes can be granted by the tax authorities on a case by case basis<br>► Repayment of refundable tax credits can be accelerated<br>► Complementary measures may be put in place at a later stage for direct taxes falling due in December in the curfew areas, depending on the evolution of the situation | **All companies liable to pay the relevant taxes**<br>► No specific requirement to be met although the French government is asking companies who are able to pay not to postpone<br>► Deferrals do not apply to VAT or income tax withheld at source<br>**Large companies who pay out dividends or buy back shares between 27 March 2020 and 31 December 2020 cannot benefit from these deferrals**<br>Large companies are defined as independent companies or groups which, in their last financial year, had at least 5000 employees or consolidated turnover above €1.5 billion in France. Groups for this purpose are defined by reference to the definition of groups for the purpose of French tax consolidation and would thus only include French entities. Intra-group dividend distributions intended to provide financial support to a French company (in particular to allow it to service its debt) remain permitted, even for large companies. The benefit of the deferral will also be denied to companies which have their head office or subsidiaries in non-cooperative jurisdictions (current list includes: Anguilla, Bahamas, Fiji, Guam, Virgin Islands, Oman, Panama, Samoa, Seychelles, Trinidad and Tobago, Vanuatu) | From 13 March |

# COVID-19 Response: France

## GOVERNMENT MEASURES FOR BUSINESSES

### Employment

**Assumption by the French State of the cost of temporary unemployment**

- Companies are compensated by the State for indemnities they have to pay to employees requested to go on temporary unemployment due to a reduction of their working time or to the temporary closure of their enterprise as a result of COVID-19
- Minimum indemnities payables by employers to employees requested to go on temporary unemployment are equal to 70% of gross income (with a minimum equal to the minimum wage)
- During the period from 1 June to 31 October 2020, the State compensates the employers up to 60% of the employee's gross hourly pay (compared to 70% between 1 March and 1 June). In sectors particularly affected by the Covid crisis (tourism, culture, etc.) the amount of the allowance has been kept at 70% of the employee's gross hourly pay (with a cap at 4.5 times the minimum wage). Government has indicated that the 70% rate should be maintained for these sectors until 31 December 2020 and a decree is expected to confirm this
- Requirements are softened compared to normal circumstances:
  - Employers have 30 days from the date they ask their employees to go on temporary unemployment to make an online request to be authorized to implement this measure (as opposed to a prior request under normal circumstances). The relevant administrative authority (« Direccte ») must respond in the next 15 days (compared to 48 hours during the period from 1 March 2010 to 30 September 2020). If the request is not denied within this period, it is deemed accepted
  - Consultation of employee representatives may take place after the request has been made and within the next two months
- If the reduction in activity is durable, companies can now benefit from a long-term activity reduction plan allowing them to receive compensation of up to 60% of gross employees' remuneration for up to 24 months

## ELIGIBILITY

**All companies requesting employees in France go on temporary leave, provided they can justify having recourse to this measure, e.g.:**

- required to cease to operate by administrative order; or
- facing a drop in their activity or difficulties in terms of staff resources or supplies; or
- unable to implement the necessary measures to ensure health and safety of all their employees (work from home, hygiene measures and recommended precautions etc.)

Motivation of the request is important and employers must be cautious not to request compensation from the State for time during which work was carried out by employees. Controls have been launched to ensure employers do not abuse

In a public statement on 27 March, the Ministry of Finances has asked companies having recourse to temporary unemployment to « show moderation » in the payment of dividends. Nothing more formal has been issued to date in relation to dividend restrictions for companies making use of temporary unemployment (unlike for other measures – see below)

## WHEN?

Applicable from 1 March 2020

The compensation granted by the State has progressively been reduced since 1 June 2020 (except for companies in the sector of tourism and those affected by the curfew-related measures)

Long-term activity reduction plan introduced on 28 July 2020

# COVID-19 Response: France

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Deferral, exemptions or waivers of social security contributions**<br>▸ All companies were able to postpone all or part of employer and employee social security contributions due in March, April and May 2020 for up to three months without any penalty. The deferral was automatically granted to companies with fewer than 5000 employees and subject to the prior approval of the social security authorities for larger ones, with priority given to those which do not benefit from state-guaranteed loans<br>▸ Employers experiencing an interruption or restriction of their activity due to a closure measures in curfew areas, and those outside curfew areas that continue to be affected by closure measures can benefit from an automatic deferral of social security contributions due in November 2020<br>▸ The Government has announced further deferrals available upon request to employers experiencing an interruption or restriction of their activity due to closure measures in curfew areas or if justified by their financial situation<br>▸ Partial exemptions or waivers are available to companies with fewer than 250 employees operating in certain sectors (hotels, restaurants, tourism, events, sports, culture, air transport)<br>▸ Additional measures are announced for employers having been subject to new restrictions since 26 September 2020 and all companies having had to close as a result of administrative measures should be entitled to a total exemption of employer social security charges. As regards employee social security charges, these should be covered by subsidies granted by the State. These measures should be included in the draft budget for the social security which is currently being examined by parliament | **All companies liable to pay the relevant contributions are eligible to the deferral and these companies can also request that payment be spread over time**<br>**Only companies with fewer than 250 employees have been eligible to waivers or partial exemptions so far although additional relief measures are expected**<br>**Large companies who pay out dividends or buy back shares between 27 March 2020 and 31 December 2020 cannot benefit from these measures.** Large companies are defined as independent companies or groups which, in their last financial year, had at least 5000 employees or consolidated turnover above €1.5 billion in France. Groups for this purpose are defined by reference to the definition of groups for the purpose of French tax consolidation and would thus only include French entities. Intra-group dividend distributions intended to provide financial support to a French company (in particular to allow it to service its debt) remain permitted, even for large companies. The benefit of the deferral will also be denied to companies which have their head office or subsidiaries in non-cooperative jurisdictions (current list includes: Anguilla, Bahamas, Fiji, Guam, Virgin Islands, Oman, Panama, Samoa, Seychelles, Trinidad and Tobago, Vanuatu) | From 13 March |

# COVID-19 Response: France

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Grants** | | |
| **Up to €1,500 immediate cash grant from solidarity fund financed by the French State and Regions**<br><br>An additional amount (€2,000, €3,000 or €5,000 depending on turnover) can be provided to eligible enterprises which (i) have at least one employee as at 1 March 2020, (ii) have more debts and fixed expenses than assets available, and (iii) have been denied a cash advance by their bank<br><br>For those who can justify a loss of turnover of more than 70%, the aid could be up to €10,000 up to a limit of 60% of turnover, except for companies in certain sectors (hotels, restaurants, events, sports…) where the 60% of turnover limit does not apply and where loss of turnover must be of more than 50%<br><br>In order to support businesses that are administratively closed, the Government also provides, from the end of October, for the payment of monthly aid pro rata temporis for the duration of the closure equal to the monthly turnover for the previous year, up to a maximum of €10,000 per month | **Enterprises in France with annual turnover below €1 million (€2 million in certain sectors), 10 employees (50 in certain sectors and in curfew areas), and income less than €60,000 (or without any income threshold condition for businesses in certain sectors)** which have had to close as a result of administrative measures or undergoing a 50% drop in turnover in March, April, May, June or July 2020 compared to the same month in 2019 (or compared to the 2019 average turnover). Eligible enterprises must also have been up to date with tax and social security payment obligations as at 31 December 2019. Undertakings in difficulty (within the meaning of EU Regulation 651/2014) are also eligible, as long as they were not under judicial liquidation as at 1 March 2020 | 31 March |

# COVID-19 Response: France

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Possibility to defer payment of rents without penalty**<br><br>Beneficiaries of the solidarity fund may not incur financial penalties or interest for late payment, damages, penalty payments, the enforcement of termination provisions, penalty clauses or any clause providing for forfeiture, due to non-payment of rent or rental charges relating to their business and commercial premises, notwithstanding any contractual terms and the provisions of Articles L. 622-14 and L. 641-12 of the French Commercial Code<br><br>This relates to rent and rental charges for which payment is due between March 12, 2020 and the expiration of a period of two months after the end of the state of emergency (which ended July 10, 2020). These measures should be extended following the re-establishment of the state of emergency declared as of 16 October 2020, provided that the Government obtains Parliament's agreement to extend the business support measures taken as part of the first wave of the epidemic<br><br>Corporate landlords are entitled to treat rent waivers as tax deductible expenses and tenants can fully offset carry forward tax losses against taxable income resulting from such waivers | **Enterprises eligible to the solidarity fund (see below) and those under insolvency proceedings (safeguard, judicial reorganization or liquidation) which continue their activity**<br><br>It has been announced that an agreement had been reached between professional organizations of landlords and the ministry of finance to defer rents from 1 April 2020 for even larger companies until activity resumes and to cancel 3 months of rents for small businesses having been requested to close as a result of COVID-19. To be reviewed on a case-by-case basis<br><br>Tax treatment of rent waivers applicable to all waivers made between 15 April and 31 December 2020 (save if landlord and tenant are affiliated, in which case tenant must evidence financial difficulty) | 12 March |

**Note:**

- This document only summarizes key measures implemented to benefit businesses operating in France.
- The measures described above are those in place as of **26 October 2020**. Additional details on recently announced measures and additional measures, in particular in certain sectors severely affected by recent administrative measures, are expected (dealing also with rent payments, cost of paid leave and insurance coverage which are areas of concern for businesses)

# Germany

# COVID-19 Response: Germany

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Kreditanstalt für Wiederaufbau (“KfW”), a German state-owned development bank, will make loans available to businesses through a local bank or other credit institution – existing regime adapted for COVID-19:**<br>Risk will be assumed by KfW (up to 90% for SMEs, and up to 80% for bigger companies) for loans up to €100m per group and will usually have the following terms:<br>► Term: (i) up to ten years for a credit volume up to €800,000 and (ii) up to six years for a credit volume exceeding €800,000 (for working capital)<br>► Credit support/covenants: Customary (to be negotiated with local bank)<br>► Interest rate: Between 1.0 – 2.12%<br>► Commitment fee: 0.15% /month on undrawn amounts<br>► Excluded are refinancing measures and loan repayments (except for Refinancing of KfW Instant Loan)<br>► Max. volume is €100 million per group and further limited to (i) 25% of 2019 turnover or (ii) 2x 2019 payroll or (iii) liquidity need of next 12 months (18 months for SMEs). If the loan amount is higher than €25 million, volume is limited to 50% of the group's total debt or 30% of balance sheet total | ► At least five years in the market, majority privately owned, with corporate seat in Germany or abroad; undertaking must be in Germany<br>► No eligibility thresholds, but preferred conditions for **SMEs** (less than 250 employees and annual turnover up to €50 million or balance sheet sum of a maximum of €43 million)<br>► No profit and dividend payments can be made during the term of the loan (unless required by law)<br>► **On 31 December 2019:** Undertaking “not in difficulty” (within the meaning of the General Blocking Exemption Regulation)<br>► **At time of application:** Reasonable prospect of company’s liquidity status returning to a “normal” status as prior to COVID-19 crisis<br>► PE portfolio companies eligible subject to the condition that investors receive no distributions during the term of the loan | From 23 March 2020 to 31 December 2020 |

# COVID-19 Response: Germany

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **New temporary syndicated KfW loan program (approved by European Commission on 22 March 2020 until 31 December 2020) covering up to 80% per loan (but not more than 50% of total debt of a company)**<br>► Term: max. six years<br>► Volume of the financing not to exceed the greater of (i) 2x 2019 payroll, (ii) 25% of 2019 revenues, or (iii) liquidity need of next 12 months<br>► Risk participation: KfW will assume risk (min. €25 million, max. 80% of the financing and 50% of the group's total debt or 30% of balance sheet total) either by way of sub-participation or as syndicate partner (on same terms as other syndicate partners)<br>► Interest, repayment terms, costs and credit support: as per existing syndicate loan documentation (if KfW considers conditions to be customary)<br>► Purpose: working capital, investments; excluded are refinancing measures and loan repayments | ► Majority privately owned, with corporate seat in Germany or abroad; undertaking must be in Germany<br>► No profit and dividend payments can be made during the term of the loan (unless required by law)<br>► **On 31 December 2019:** Undertaking "not in difficulty" (within the meaning of the General Blocking Exemption Regulation) and no known payment delays over 30 days, standstill agreements or material covenant breaches<br>► **At time of application:** The applicant must be in a position to (i) bear the loan, (ii) be viable after the crisis and beyond 31 December 2020, assuming that the overall economic situation returns to normal after three months at the latest, and (iii) raise appropriate refinancing<br>► PE portfolio companies eligible subject to the condition that investors receive no distributions during the term of the loan | From 23 March 2020 to 31 December 2020 |

# COVID-19 Response: Germany

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **New KfW Instant Loan Program (*Schnellkredit*) provides quickly granted loans without additional credit risk assessment by the bank or KfW for eligible businesses**<br>► Purpose: investments and working capital; excluded are refinancing measures, loan repayments<br>► Risk participation: KfW will assume 100%; the credit approval process does not involve additional credit risk assessment by the bank or KfW<br>► Volume: per group up to 25% of 2019 turnover, limited to (i) €500.000 for groups with up to 50 employees and (ii) €800.000 for groups with more than 50 employees<br>► Security: No collateral required<br>► Term: Up to 10 years; no dividend payments can be made during the term of the loan<br>► Combination with other loans: if an instant loan is granted, the applicant cannot apply for other KfW loans prior to 1 January 2021 | ► Majority privately owned, with corporate seat in Germany<br>► Company has been active on the market since at least 1 January 2019<br>► Company generated profit in 2019 or on average in the last three years<br>► **On 31 December 2019:** Company "not in difficulty" (within the meaning of the General Blocking Exemption Regulation)<br>► PE portfolio companies eligible subject to the condition that investors receive no distributions during the term of the loan<br>► No dividend payments can be made during the term of the loan (unless required by law) | From 15 March 2020 to 31 December 2020 |

# COVID-19 Response: Germany

## GOVERNMENT MEASURES FOR BUSINESSES

### Finance / Loan Schemes

**New federal state-owned economic stability fund (*Wirtschaftsstabilisierungsfonds* – "WSF") provides guarantees until 31 December 2021 to certain systemic companies (excluding banks):**

- Term: up to 60 months
- Volume: guarantee amount limited to (i) 2x 2019 payroll; or (ii) 25% of 2019 turnover; or (iii) financing need of next 12 months
- Risk participation: max. 90% of credit risk
- Security: borrower to post all reasonable and economically viable securities
- Additional terms apply for guarantees from €100m, in particular limiting distributions to shareholders and management remuneration, requiring a shareholder contribution, and concerning debt governance (mo debt restructuring, no scheduled loan repayments until end of 2021, available credit lines to be maintained until at least end of 2022)

## ELIGIBILITY

**"Hard requirements":**

- Business fulfills at least two of the following three criteria (based on last two annual financial statements prior to 1 January 2020): (i) balance sheet total exceeds €43m; (ii) annual turnover exceeds €50m; and (iii) more than 249 employees; or
- Company within meaning of Section 55 German Foreign Trade and Payments Regulation, or companies of comparable importance to German economy or security
- No "undertaking in difficulty" as at 31 December 2019 (within the meaning of the General Blocking Exemption Regulation)

**"Soft requirements"**

- Measure of last resort/ company has no other means for financing available
- Going concern perspective after COVID-19 crisis, and sound and prudent business policy

## WHEN?

From 28 March 2020 to 31 December 2021

# COVID-19 Response: Germany

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **New federal state-owned economic stability fund (*Wirtschaftsstabilisierungsfonds* – "WSF") provides equity participations until 31 December 2021 to certain systemic companies (excluding banks):**<br>► Equity contributions of up to €100m are given in the form of silent participations at standard terms:<br>► Volume: max. the amount necessary to lift equity back to 31 December 2019 levels<br>► Ranking: junior to all other creditors, but senior to other equity instruments<br>► Repayments: over a six to ten years period<br>► Profit participation: fixed annual coupon, gradually increasing fom 4% to 9.5%<br>► Additional terms limit distributions to shareholders and management remuneration, require a shareholder contribution, and concern debt governance (mo debt restructuring, no scheduled loan repayments until end of 2021, available credit lines to be maintained until at least end of 2022)<br>► Equity contributions from €100m are subject to individually negotiated terms | **"Hard requirements":**<br>► Business fulfills at least two of the following three criteria (based on last two annual financial statements prior to 1 January 2020): (i) balance sheet total exceeds €43m; (ii) annual turnover exceeds €50m; and (iii) more than 249 employees; or<br>► Company within meaning of Section 55 German Foreign Trade and Payments Regulation, or companies of comparable importance to German economy or security<br>► No "undertaking in difficulty" as at 31 December 2019 (within the meaning of the General Blocking Exemption Regulation)<br>**"Soft requirements"**<br>► Measure of last resort/ company has no other means for financing available<br>► Going concern perspective after COVID-19 crisis, and sound and prudent business policy | From 28 March 2020 to 31 December 2021 |
| **Guarantee banks (*Bürgschaftsbanken*) are private development banks supported by the state that offer guarantees to businesses to be used as collateral in order to secure KfW loans or the third party loans / investments — existing regime adapted for COVID-19:**<br>► Individual guarantee limit for each guarantee increased to €2.5m (from €1.25m)<br>► Most of default risk ultimately lies with state through back-to-back guarantee | All SMEs that have no other means of securing financing — i.e., last resort<br>Other eligibility criteria dependent on issuing guarantee bank (e.g., might require company or project to be in a particular sector, industry and region in Germany) | Live |

# COVID-19 Response: Germany

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Large guarantee program - existing regime adapted for COVID-19:**<br>► Lenders can apply for government guarantees in respect of certain loans<br>► Scheme for guarantees in excess of €50m (€20m in structurally weak regions)<br>► Federal and respective state government will assume up to 90% of the default risk | Company that has no other means of securing financing — i.e., last resort | Live |

# COVID-19 Response: Germany

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **Tax easements — new rules:**<br>► Tax deferrals if collection would place significant hardship on company until 31 March 2021 and no enforcement measures or late payment penalties for companies directly affected by COVID-19 until 31 December 2020<br>► Adjustment of tax prepayments | All taxpayers exposed to COVID-19 | 19 March 2020 |
| ► Decrease of VAT rate from 19% to 16% (and from 7% to 5%) in 2020<br>► Increased threshold for tax loss carrybacks and application of increased tax loss carrybacks towards pre-payments assessment period 2019<br>► Availability of the declining-balance method of depreciation for certain assets<br>► Extension for periods to make tax privileged re-investments<br>► Increased allowance for trade tax add-backs | | 1 July 2020 |

# COVID-19 Response: Germany

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Reduced working hours compensation (*Kurzarbeitergeld*) - existing legal regime adapted for COVID-19:**<br>► Certain employers may reduce the working hours of their employees and, simultaneously, their salaries<br>► Employees will receive a certain percentage of their net income for hours not worked and not paid for by the employer from the German Federal Labour Office (for each employee with a gross salary higher than €6,700 a month, the compensation is capped to the amount he would receive with a gross salary of €6,700) and the Federal Labour Office will reimburse 100% social security contributions in relation to hours not worked until 31 December 2020 with an expected extension until 30 June 2021. From 1 July 2021 until 31 December 2021 the reimbursement percentage is anticipated to drop to 50%. The percentage of net income equals (i) 60% (67% if they have one or more children) in the first three months, (ii) 70% (77%) in the next three months, and (iii) 80% (87%) from the seventh month, with (ii) and (iii) expected to apply until 31 December 2021 for all companies having introduced the measure until 31 March 2021. For all others (ii) and (iii) apply until 31 December 2020 | Employers can only avail themselves of the regime if:<br>► certain agreements expressly enable the employer to cut working hours in times of crisis<br>► 10% or more of its employees are/will be affected<br>Temporary/agency workers are included within the scheme | 18 March 2020 (applies retrospectively from 1 March 2020 onwards) – 31 December 2020<br>Expected extension until 31 December 2021 (subject to bill being passed in parliament) |

# COVID-19 Response: Germany

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Export guarantees**<br>► Can be increased quickly, should additional export cover | German export companies | Live |
| ► **Suspension of duty to file for insolvency due to overindebtedness** — until 31 December 2020 ("**Suspension Period**") (applies retrospectively from 1 March 2020 onwards)<br>► **Partial suspension of directors' duties** — for payments made during the Suspension Period in the ordinary course of business or in connection with implementing a restructuring plan | All companies – unless (i) insolvency is not caused by effects of COVID-19; or (ii) no prospects of recovering from cash flow insolvency (rebuttable presumption that conditions are satisfied if debtor not cash flow insolvent on 31 December 2019) | 28 March 2020 |

# COVID-19 Response: Germany

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Preventive restructuring process where restructuring framework is already available upon imminent illiquidity**<br>► Selective restructuring process using restructuring plan aimed at primarily the restructuring of financial debt<br>► Key features:<br>– **Moratorium** – up to 3 months, extendable up to a maximum of 18 months<br>– **Restructuring Plan** – proposed by debtor; can compromise secured and unsecured creditors, and upstream credit support; certain excluded creditors (e.g., employees)<br>– **Classes** – determined by parties' economic interests<br>– **Voting** – 75% majority (by value of those voting), no majority by heads required<br>– **Cross Class cram-down** – if (i) majority of classes have voted for the plan, (ii) class members not be expected to be worse off under plan than without the plan and (iii) class members receive adequate share in value created by plan<br>– **Timing** – fast track or comprehensive (court-led voting) track available<br>– **Court involvement** – limited court involvement unless court-led voting track chosen | All Debtors (with the exception of financial institutions) with their COMI in Germany that are not yet insolvent but will more likely than not become cash-flow insolvent within the next 24 months (impending illiquidity) | Expected to come into force on 1 January 2021 |

**Notes:**

- This document only outlines the key federal measures proposed or in place on **28 October 2020**. For further detail on the new German preventive restructuring process, see this deck.

# Greece

# COVID-19 Response: Greece

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Borrower support measures – suspension of loan repayments**<br>► Suspension of the repayment of loan principal for business loans will be granted until at least 31 December 2020 (provided such loans were performing on 31 December 2019). The suspension will be provided on the borrower's request. Interest continues to be payable during such period<br>► The state is bound to cover the total amount owed as interest on such loans for the months of April, May and June. This provision may be further extended for a period of two months, upon request by the applicant business. The Greek state will cover the total amount owed as interest on overdue loans, bond loans, revolving credit accounts, securitized loans and credits for affected businesses. Such businesses must conclude their submissions to the State Aid Information System of the Ministry of Development (www.ependyseis.gr/mis) from 15 April 2020 until 30 June 2020. In case an application is unsuccessful the applicant business may file an appeal within 5 business days | ► Subject to the below, all 'affected businesses' belonging to specific categories, as defined by the Ministry of Economy, who have been severely impacted by the crisis<br>► The suspension of debts of affected businesses or natural persons to banks/credit institutions is also based on their personal data, which will be provided to the relevant banks/credit institutions by the Ministries of Finance, Development and Investment and Employment. The details of the criteria of the businesses to be selected are defined in the relevant Invitation of the Ministry of Development, as attached in the Ministerial Decision and as published in the following websites, www.mindev.gov.gr, www.espa.gr and www.antagonistikotita.gr. | 23 March |
| **Borrower support measures – specific bank measures**<br>► In addition, various banks have announced specific measures in respect of performing loans<br>► **National Bank of Greece** – For both affected medium and large corporates and SMEs falling with the scope of the emergency legislation, repayment of principal instalments due between 1 March 2020 and 31 December 2020 may be deferred to the end of the loan period upon request (and, in the case of medium and large companies, a deferral of the loan maturity date)<br>► **Eurobank** – For corporates falling within the scope of the emergency legislation, suspension of principal instalments due until 31 December 2020 and deferral of loan maturity for up to nine months on request. For SMEs falling within the scope of the emergency legislation, For corporates falling within the scope of the emergency legislation, suspension of principal instalments due until 30 September 2020 and deferral of loan maturity for up to six months on request | ► All 'affected businesses' belonging to specific categories, as defined by the Ministry of Economy, who have been severely impacted by the crisis<br>► The suspension of debts of affected businesses or natural persons to banks/credit institutions is also based on their personal data, which will be provided to the relevant banks/credit institutions by the Ministries of Finance, Development and Investment and Employment | Announcement by the Banks dated 7 April 2020 |

# COVID-19 Response: Greece

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Finance liquidity**<br>▸ **Refundable Advance Payment:** The Greek state has committed to make available an amount of up to €1 billion for affected businesses, allowing them to request for financial assistance in the form of loans to be repaid in an extended time period. Such affected businesses must complete their submissions to the Independent Public Revenue Authority (AADE) through the electronic platform "myBusinessSupport", under the conditions and within the deadlines laid down in the Ministerial Decision. The deadline has been extended until 21 April 2020 following a subsequent Announcement by the Ministry of Finance<br>– All or part of the financing, depending on the relevant case, will be repaid to the Greek state within the next five years together at a low interest rate<br>– The exact amount of the financing will depend on the turnover decrease of the relevant business, as well as on the impact of the net employment cost, provided always that the pertinent businesses has not laid off any employees. Additional criteria on which the repayable advance will be based on, the exact amount of the financing and the grant procedure will be specified in a further Ministerial Decision<br>– Such advances are not taxed and can neither be confiscated nor set off<br>▸ **Refundable Advance Payment (2nd round):** The criteria determining the amount of financing and the grant procedure have been determined in the Ministerial decision dated 03 May 2020. Every affected private business (including partnerships) having its registered seat or permanent establishment in Greece may apply through the electronic platform "myBusinessSupport" until 22 July 2020. Businesses which did not employ any employees or employed more than 1,000 employees on 1 June 2020 shall not be considered as valid applicants. Furthermore, all applicant businesses shall be going concern undertakings from April 2019 onwards and should have not previously been granted financial aid acknowledged as incompatible by European Commission. In particular, large and medium enterprises may proceed with the application in case they have not been "undertakings in difficulty" in the meaning of EU Regulation 651/2014, on 31.12.2019. Small enterprises or very small enterprises, which have entered into collective insolvency proceedings, or have received rescue aid, or restructuring aid cannot proceed with the aforementioned application. All applicant businesses shall maintain the number of employees employed by them on 1 June 2020 up until 31 October 2020 | ▸ Every affected private business, including the sole entrepreneurs who employ from 1 to 500 employees, having its registered seat or permanent establishment in Greece | Joint Ministerial Decision 2.4.2020 by the Ministry of Finance and Ministry of Development and Investment and Ministerial Decision 03.07.2020 by the Ministry of Finance and Ministry of Development and Investment |

# COVID-19 Response: Greece

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Granting of new loans of €2 billion to businesses through the European Investment Bank** | | |
| **Establishment of a new guarantee mechanism for working capital loans to SMEs of up to €1.5 billion and for working capital loans to large enterprises of up to € 2 billion**<br>▸ Hellenic Development Bank SA published an invitation addressed to financial institutions for cooperation in the granting of new working capital loans with 80% guarantee rate until the full repayment. Such guarantee will be funded by the Businesses' Guarantee Fund COVID-19 (hereinafter the "Guarantee Fund"). The loans will have a term of up to 5 years including any grace period and the relevant loan agreements must have been signed until 31 December 2020. The loan amount shall not exceed the double of the annual salary costs of the fiscal year 2019 (in case where the applying business has been incorporated during 2019 the loan amount shall not exceed the estimated annual salary costs for the first 2 operating years), or the 25% of the turnover of the previous fiscal year or the 10% of the agreed portfolio per financial institution | ▸ All businesses operating in Greece shall benefit from this measure; however the eligibility criteria for the applicant businesses are specified by the banks launching the program to potential borrowers. Businesses may submit their application from 03 June 2020 | 11 May 2020 |
| **Increased funding for the Hellenic Development Bank's Entrepreneurial Fund by €250 million for the granting of new loans to businesses affected by COVID-19 along with a 100% interest rate subsidiary for two years**<br>▸ Hellenic Development Bank SA has announced the launching of a new program for working capital loans with 100% interest rate subsidy for the first two years. Such loans will be funded by the National Fund for Entrepreneurship and Development (ETEAN SA) under "Business Financing - TEPIX II". The loans shall be up to 50% of the turnover of the previous fiscal year, for a period of 24-60 months, a potential grace period of 6-12 months and an interest rate no higher than 8% for the first two years. Applying companies shall preserve for the first two years the number of their employees as on 19 March 2020 | ▸ Newly established companies and SMEs affected by the outbreak of COVID-19 may apply for such loans through the address www.ependyseis.gr/mis from 20 May 2020 until 28 May 2020 and then submit the supporting documentation to the cooperating bank of their preference | 28 April 2020 |
| **Emergency financial aid for tourist accommodation facilities to operate by exception across Greece**<br>▸ The operation of tourist accommodation facilities was suspended for the period from 23 March 2020 to 15 June 2020, however certain accommodation facilities were exempted from this ban. These businesses are eligible for the aforementioned emergency financial aid. The financial aid shall not exceed the 35% of the amount resulting from the deduction of the turnover of April 2020 from the turnover of April 2019, per tourist accommodation facility | ▸ Tourist accommodation facilities that remain open year-round listed in the Annex attached to the Ministerial Decision dated 24 March 2020 issued by the Minister of Tourism, as amended by the Ministerial Decision dated 10 April 2020 issued by the Minister of Tourism | 23 July 2020 |

# COVID-19 Response: Greece

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **Tax liquidity**<br>► **Extension of VAT payment** – payment of VAT amounts is extended for the affected companies until 31 August. This concerns VAT due from 11 March to 30 April. During the suspension period, no interest and surcharges shall be imposed on the amounts of taxes due<br>► **Reduction of the VAT rate** from 24% to 6% on products necessary for the protection from COVID-19 and its containment<br>► **Acceleration of tax refunds** of amounts not exceeding €30,000 by the tax authorities<br>► **Debts to the Greek authorities** – Payment deferred on the same basis as VAT payments until April 2021<br>► **Discounts** - A 25% discount will be provided where the applicable suspension period is not utilized by the affected enterprises and relevant taxes are timely paid. VAT and withholding taxes not subject to settlement or payment facilitation schemes are excluded from such discount<br>► Further discount benefits have now also been announced for April VAT obligations. According to the Legislative Act dated 13 April 2020, a 25% discount will be applied to VAT payments due by 30 April, together with any other payments or debt installments or partial payments to the Greek Tax Authority due by 1 May 2020, where the relevant taxes are timely paid by the affected businesses<br>► ***Note that in order to benefit from the deferral of tax measures the relevant business is required to maintain its existing employment agreements and workforce (suspension in line with emergency measures being permissible)*** | ► Businesses with active primary Business Activity Code (KAD) included in the list of KAD published on 20 March | 20 March |

# COVID-19 Response: Greece

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Suspension of Employment Contracts**<br>► The lockdown imposed by the authorities constitutes an event of force majeure and releases employees from the obligation to provide services and their employers from the obligation to pay salary. During the lockdown period the employment contracts are suspended<br>► All unpaid leaves agreed between employers and employees are revoked as from 28 March 2020 and the respective employment contracts are placed on suspension<br>► Employees who are suspended will be entitled to apply for a one-off ‘special purpose’ state benefit payment of €800 per 45 days<br>► From 18 March 2020, employers on lockdown by order of the authorities are prohibited from making any dismissals during the lockdown period. If effected, the dismissals are invalid. ‘Special purpose’ benefit payments will also be available to employees who either resigned or had their employment terminated in the period between 1 March and 18 March<br>► Employers must conclude their submissions via the ERGANI Information System in respect of any suspension of employees (including any remote working) and payment of ‘special purpose’ compensation by 10 April 2020. Failure to then do so results in the exclusion of the employers from various relief measures. By 10 April 2020 employers must have also informed their employees of submission of the above declaration so that employees may also submit their required application to the Ministry of Labour | Businesses who have closed by virtue of government measures in light of COVID-19 | 28 March |

# COVID-19 Response: Greece

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Suspension of Employment Contracts**<br>► Employers belonging to the specific impacted categories announced by the Ministry of Finance may suspend the employment contracts of all or part of their employees for an uninterrupted period of 45 days. On 1 May 2020 it was announced that employers could extend the suspension of up to 60% of employees for a maximum of 30 further days. Such option can be exercised one-off or progressively between 21 March 2020 and 20 April 2020. Fixed-term employment contracts expiring after 21 March 2020 can also be suspended, in which case their term is continued after the suspension period<br>► During the suspension period the employers are prohibited from dismissing any of their employees. If effected, such dismissals are invalid. Such restriction does not cover employees who resign, retire or whose fixed-term contracts expire<br>► Employees who are suspended will be entitled to apply for a one-off special state benefit payment of €800 per 45 days<br>► Employers must conclude their submissions via the ERGANI Information System in respect of any suspension of employees (including any remote working) and payment of 'special purpose' compensation by 10 April 2020. Failure to then do so results in the exclusion of the employers from various relief measures. By 10 April 2020 employers must have also informed their employees as to the submission of the above declaration so that employees also submit their required application to the electronic platform of the Ministry of Labour | Affected businesses (as announced by the Ministry of Economy) | 28 March |
| **Telework**<br>► Teleworking employees are excluded from the above suspension mechanism as they continue to provide their services to the employer<br>► The employers' right to unilaterally impose a system of remote work, is extended until 31 December 2020 | | Until 31 December 2020 |

# COVID-19 Response: Greece

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Special provisions on Christmas allowance**<br>► Employers are required to pay the Christmas allowance on its due date (i.e. by 21 December 2020)<br>► Employees, whose contracts have been suspended, will receive from their employer a portion of the Christmas allowance excluding the period of suspension. The remaining portion corresponding to the suspension period will be paid by the State and will be calculated on the basis of the special state benefit received by the employees during the suspension | ► Employers on lockdown by order of the authorities or belonging to specific categories, as defined by the Ministry of Economy, who have been severely impacted by the crisis | 21 December 2020 |

# COVID-19 Response: Greece

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Reduction of rents by 40%**<br>▸ Businesses who have been closed by virtue of government measures are entitled to a 40% reduction of their property rent during the affected period and landlords are not entitled to terminate the lease due to partial payment | ▸ Businesses who have closed by virtue of government measures in light of COVID-19. This measure is now further extended to 'affected businesses', meaning, throughout these slides, those belonging to specific categories (as defined by the Ministry of Economy) who have been severely impacted by the crisis | 23 March and 13 April |
| **The 12 steps of confidence**<br>In September 2020 the Greek prime minister announced 12 new government support measures at a cost of €6.8 billion, including:<br>**Tax cuts**<br>▸ A 3-unit cut in employer and employee insurance contributions in the private sector in 2021<br>▸ A year-long suspension of the solidarity levy for private sector employees, self-employed individuals and farmers<br>▸ The introduction of an over-depreciation measure for 3 years (2021-2023) at 200 % for digital and green fixed capital investments<br>▸ A disapplication of unified property tax for 28 small Greek islands in 2021<br>**Employment subsidies**<br>▸ A subsidy program for 100,000 new jobs (government to pay insurance contributions of both employer and employee for new roles)<br>▸ Grants of €200 for businesses which hire a long-term unemployed person<br>**Reduced VAT on transport, some entertainment and travel (six-month extension)** | ▸ Various | From September 2020 |

- Note:
  - This document only summarizes key measures implemented to benefit businesses operating in Greece
  - The measures described above were in place as of **01 September 2020**. Updates and additional government measures are expected

# Ireland

# COVID-19 Response: Ireland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **COVID-19 Working Capital Loan Scheme**<br>► Loans up to €1.5m are available at reduced interest rates, and up to the first €500,000 can be unsecured. Minimum loan size is €25,000<br>► Loan periods of up to 3 years with an interest rate cap of 4% - the interest rate is fixed for duration of the loan<br>► Optional three-month interest-only payment period may be available depending on the lender's assessment of the application<br>► The loan amount and term is dependent on the loan purpose<br>► The loan purpose must be to fund future working capital requirements or to fund innovation, change or adaptation of the business to mitigate the impact of COVID-19 | This Scheme is directed at viable micro, small and medium sized enterprises (SMEs) and Small MidCap enterprises that meet certain eligibility criteria. SMEs/ Small Mid-Cap must satisfy the COVID-19 Criterion and one of the innovation criteria –<br><br>**COVID-19 Criterion:**<br>The business is impacted by the COVID-19 virus resulting in business turnover/profitability being negatively impacted by a minimum of 15%<br><br>**Innovation Criteria:**<br>1. At least 80% of the Scheme Loan will be spent on research and innovation activities associated with the business's response to the COVID-19 challenge with the remainder on costs necessary to enable such activities<br>2. The business must intend to enter a new product or geographical market, and the required investment is higher than 50% of average annual turnover in the preceding 5 years<br>3. The business will have registered at least one technology right in the last 24 months and the purpose of the loan is to enable use of this technology right<br>4. The business is an SME and research and innovation costs represent at least 10% of total operating costs in at least one of the last three years preceding the application, or in the case where there is no financial history, as per current financial statements<br>5. The business is a Small Mid-Cap and research and innovation costs represent either: -<br>a. at least 15% of total operating costs in at least one of the three years preceding this application<br>b. at least 10% per year of total operating costs in the three years preceding this application<br>6. The business has been awarded a Research and Development or Innovation prize by an EU Institution or EU Body over the last 24 months<br>7. The business has received a grant, loan or guarantee from a European research and innovation scheme (e.g. Horizon 2020 or FP7) or regional/national research or innovation support scheme in the last three years, and are confirming that the loan is not covering the same expense<br>8. The business is an early stage SME and has received an investment over the last 24 months from a venture capital investor or business angel | Live<br><br>Applications for the scheme are being accepted on the SBCI website. There is no prescribed closing date for the scheme at present, applicants are urged to avail of this finance as soon as possible in the context of their business needs |

# COVID-19 Response: Ireland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |

9. The business intends to use the loan to invest in producing, developing or implementing new or substantially improved products, processes or services or production or delivery methods (including business models) that are innovative, and where there is a risk of technological, industrial or business failure as evidenced by an external expert
10. The business is a “fast growing enterprise” operating for less than 12 years with an average annualised employee or turnover growth greater than 20% a year, over a three year period and with ten or more employees at the beginning of that period
11. The business is operating in a market for less than seven years and research and innovation costs represent at least 5% of total operating costs in at least one of the three years preceding the loan application or in the case of an enterprise (and particularly a startup) without any financial history, according to current financial statements

SMEs are defined by the Standard EU definition [Commission Regulation 2003/361/EC] as enterprises that:

- have fewer than 250 employees
- have a turnover of €50 million or less (or €43 million or less on their balance sheet)
- are independent and autonomous i.e. not part of a wider group of enterprises
- have less than 25% of their capital held by public bodies
- is established and operating in the Republic of Ireland

A Small Mid-Cap is an enterprise that is not an SME but has fewer than 500 employees

An up to date business plan will be required to be provided to the finance provider(s) in all cases when applying for a loan

Exclusions: Businesses that:

- are involved in the primary agriculture and/or aquaculture sector
- are in financial difficulty (excluding cashflow pressures caused by COVID19 virus impact)
- are bankrupt or being wound up or having its affairs administered by courts
- in the last 5 years have entered in to an arrangement with creditors, in the context of being bankrupt or wound up or having its affairs administered by the courts
- are convicted of an offence concerning professional misconduct by judgement, fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity where such illegal activity is detrimental to the European Union’s financial interests

# COVID-19 Response: Ireland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **SBCI Credit Guarantee Scheme**<br>► Loans of €10,000 up to €1m will be available for terms of up to seven years<br>► Businesses may be able to avail of between a three to six-month interest-only payment period (depending on the total loan duration)<br>► The Scheme is designed to support a range of debt instruments appropriate to the borrowing needs of SMEs. Term loans and on-demand performance bonds are covered by the Scheme<br>► The scheme provides an 80% Government guarantee to participating finance providers (currently AIB, Bank of Ireland and Ulster Bank) on qualifying loans to eligible SMEs<br>► The borrower pays a premium which partially covers the cost of providing the guarantee. The premium can vary but for the period July 2019 to 2020 it will be 0.5%. The premium is collected annually or quarterly in advance throughout the life of the guarantee based on the annual contracted principal balance<br>► The Credit Guarantee (Amendment) Act 2020 was commenced on 11 August 2020 and enables the Minister for Jobs, Enterprise and Innovation to issue guarantees in respect of a maximum aggregate amount of credit of €2 billion. It also allows for the credit guarantee scheme to be extended to persons that are established in the State and employ not more than 499 people. Ministerial regulations that will implement changes to the SME Credit Guarantee Scheme are expected to be published soon | The Scheme is targeted towards companies who are unable to access credit because of three distinct barriers to lending;<br>1. Inadequate collateral<br>2. Novel business market, sector or technology which is perceived by lenders as higher risk under current credit risk evaluation practices<br>3. Need for refinancing caused by the exit of an SMEs lender from the Irish market<br>SMEs, Primary Producers and small Mid-Caps can apply. In order to qualify for the Scheme, the borrower will have to declare an adverse impact of minimum 15% of actual or projected turnover or profit due to the impact of COVID-19<br>**Exclusions:**<br>SMEs that:<br>► are involved in the primary agriculture, horticulture and fisheries<br>► are in financial difficulty (excluding cashflow pressures caused by COVID19)<br>► are bankrupt or being wound up or having its affairs administered by courts<br>► have, in the last 5 years, entered into an arrangement with creditors in the context of being bankrupt or wound-up or having its affairs administered by the courts<br>► are convicted of an offense concerning professional misconduct by judgment, fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity where such illegal activity is detrimental to the EU's financial interests<br>Further exclusions:<br>► refinancing of existing debt<br>► property-related activities<br>This Scheme operates under the De Minimis State Aid rules | Live |

# COVID-19 Response: Ireland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
| --- | --- | --- |
| **Finance / Loan Schemes** | | |
| **SBCI Future Growth Loan Scheme**<br>► Government loan guarantee scheme for banks (AIB, Bank of Ireland, KBC and Ulster Bank)<br>► The overall fund totals €800 million. At least 40% of the fund will be available to Primary Agriculture / Food Businesses<br>► Maximum loan size will be €3 million (first €500,000 can be unsecured). Minimum loan size will be €25,000<br>► Loan terms range from 7 to 10 years<br>► Initial maximum interest rate is capped at 4.5% for loans less than €250,000 and 3.5% for loans greater than or equal to €250,000. Variable interests rates are subject to change. Optional interest only repayments are available in certain circumstances<br>► Loans can be used for long term investment. Note that there are certain activities which are excluded<br>► Applicants must choose one of the below loan purposes:<br>– Investment in machinery or equipment<br>– Investment in research and development<br>– Investment in business expansion<br>– Investment in premises improvement<br>– Investment in process innovation<br>– Investment in people and/or systems<br>► Note that there are separate loan purposes for SME Applicants involved in primary agriculture | Applicants must be viable micro, small and medium sized enterprises (SMEs) and Small Mid-Cap enterprises which comply with certain eligibility criteria<br>Excluded categories (non-exhaustive): An SME or Small Mid-Cap that:<br>► is in financial difficulty<br>► is bankrupt or being wound up or having its affairs administered by courts<br>► in the last 5 years has entered in to an arrangement with creditors, in the context of being bankrupt or wound-up or having its affairs administered by the courts<br>► is convicted of an offense concerning professional misconduct by judgement, fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity where such illegal activity is detrimental to the European Union's financial interests<br>Applicants for loans greater than €250,000 must submit a business plan to their preferred participating lender | It is intended that the FGLS will be available for a three-year period or until the scheme has been fully subscribed<br><br>KBC is not offering funding in the agricultural sector, so only in-scope SMEs/Small MidCaps who aren't in the primary agriculture category can now apply for funding from KBC under that scheme |

# COVID-19 Response: Ireland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|

## Finance / Loan Schemes

**SBCI Future Growth Loan Scheme (cont.)**

European Investment Fund Guidelines on restricted sectors apply to this fund, meaning that funds cannot be applied to production of tobacco, production of and trade in ammunitions, casinos and equivalent enterprises etc. Certain limited restrictions apply to use for research, development or technical applications in the IT and Life Science sectors

**Excluded Activities:**

- Finance of specific export operations, or finance contingent upon the use of domestic over imported products. In particular, it should not apply to financing the establishment and operation of a distribution network in other States, or current expenditure linked to the export activity
- Finance of pure real estate development activity
- Finance of activities constituting pure financial transactions (e.g. purchase of shares)
- Loans to undertakings in difficulty
- Finance of activities forbidden by national or EU law
- Primary Agriculture (there are specific FGLS SME Agriculture Customers)
- Refinance to reschedule existing loan or completed project
- Aid for the acquisition of road freight transport vehicles by undertakings performing road freight transport for hire or reward

Note that there are separate excluded activities for SME Applicants involved in primary agriculture

# COVID-19 Response: Ireland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Ireland Strategic Investment Fund - Pandemic Stabilisation and Recovery Fund**<br>▸ €2 billion fund announced for investment on a commercial basis in medium and large enterprises in Ireland affected by COVID-19<br>▸ This fund is intended to complement government supports made available through SBCI and Enterprise Ireland<br>▸ ISIF will invest in enterprises which present viable business models in the medium to long term. Investment will be made based on the core ISIF mandate of commercial return and economic impact. Economic impact will be assessed primarily based on the potential impact of the investment in supporting the stabilisation and recovery of the Irish economy | **COVID-19 Criterion**<br><br>Enterprises must have been negatively and materially impacted by the pandemic<br><br>**Other Criteria**<br><br>This fund is targeted at enterprises employing more than 250 employees or with annual turnover in excess of €50 million<br><br>Enterprises must demonstrate that they were commercially viable prior to COVID-19, and that they can return to viability and contribute to the Irish economy<br><br>ISIF may consider investing in enterprises below the level outlined above if the enterprise In question is assessed to be of substantial scale and of significant importance at national or regional level<br><br>Where existing shareholders have capital available, they will be expected to meaningfully participate alongside ISIF in any recapitalisation<br><br>**Exclusions**<br><br>All sectors will be considered subject to ISIF's Responsible Investment Policies<br><br>The business is not currently required to align with the ISIF's existing Priority Themes of Regional Development, Housing, Indigenous Businesses, Climate Change or Brexit | ISIF are currently seeking engagement from enterprises seeking investment. Companies are encouraged to contact psrf@isif.ie, providing an overview of the business, its financial information an overview of how the company has been affected by COVID-19. Further information regarding the documents to be submitted can be found at isif.ie. |

# COVID-19 Response: Ireland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Enterprise Ireland's Sustaining Enterprise Fund**<br>► Government direct finance scheme<br>► This scheme is the second part of Enterprise Ireland's Rescue and Restructuring Scheme<br>► This Scheme will be aimed at businesses with 10 or more full-time employees<br>► The scheme will be operated by Enterprise Ireland, providing repayable advances from €100,000 up to €800,000<br>► Funding will be provided for a five-year period, using the following instruments: repayable advances, grant aid, equity or loan note<br>► Up to 50% of the funding will be non-repayable. The maximum non-repayable support will be €200,000<br>► A zero % administration fee will apply to the repayable element of the funding for the first 6 months, followed by 4% per annum<br>► Repayments are not due until year 4 and 5<br>► The Equity instrument will primarily be Cumulative Redeemable Preference Shares (CRPs)<br>► Cumulative Convertible Redeemable Preference Shares (CCRPs) and ordinary equity may be used when Enterprise Ireland seeks to match the terms of other investors<br>► All Funding will be made available against a submitted Sustaining Enterprise Project Plan<br>(continued on following page) | The funding is open to:<br>► Eligible companies employing 10 or more full time employees;<br>► Operating in the manufacturing and internationally traded services sector<br>► Have suffered a 15% or more reduction in in actual or projected turnover or profits or an increase in costs as a direct result of COVID-19;<br>This scheme is not open to companies that were:<br>► That are active in the primary agricultural, fishery or aquaculture sectors<br>► That operate in the coal and steel sector<br>► Covered by specific rules for Financial Services | Live.<br>Applications must be submitted before mid December 2020 |

# COVID-19 Response: Ireland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Enterprise Ireland's Sustaining Enterprise Fund (cont.)**<br>► As part of the Sustaining Enterprise Fund, Enterprise Ireland will also administer a specific Sustaining Enterprise Fund for Small Enterprise. This fund will provide a €25k to €50k short term working capital injection to eligible smaller companies to support business continuity and strengthen their ability to return to growth and be trading strongly in 3 years time. The funding will be a combination of repayable and non-repayable support, with up to 50% of the funding provided non-repayable. An administration fee of 4% per annum applies to the repayable element of the funding after the first six months. Further information on the objectives and eligibility criteria for this fund, can be found here (https://www.enterprise-ireland.com/en/funding-supports/Company/Esetablish-SME-Funding/Sustaining-Enterprise-Fund-Small-Enterprise.html)<br>► The Sustaining Enterprise Fund will be used to support the implementation of a Sustaining Enterprise Project Plan, which must be provided by the company outlining the eventual stabilisation of the business and a return to viability. It must also show that the company, with EI assistance and the contribution of its own business continuity plans, has sufficient cash to bring the business back to more normal operations as the current restrictions are relaxed or lifted over the next three to six months | ► Open to manufacturing and internationally traded services companies with (i) 10 or more full-time people on their payroll on 29 February 2020 and (ii) an annual turnover in their most recent financial statements not exceeding €5 million, which have seen (or expect to see) a 15% or greater reduction in actual or projected turnover or profit, or a significant increase in costs as a result of COVID-19<br>► The scheme is not open to companies that (i) are medium or large undertaking who were in financial difficulties on 31 December 2019, (ii) are operating in the coal or steel sector, (iii) are active in the primary agricultural, fishery or aquaculture sectors and (iv) are covered by specific rules for Financial Services<br>► Funding will be awarded against a submitted Sustaining Enterprise Project Plan | Live |

# COVID-19 Response: Ireland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **COVID-19 Business Loan - MicroFinance Ireland**<br>▸ Offering loans from €5,000 to €25,000 to sole traders, partnerships and limited companies with less than 10 employees and annual turnover of up to EUR2m that were trading prior to the COVID-19 pandemic in Ireland<br>▸ This scheme applies to entities which are microenterprises and applicant borrowers are subject to an eligibility criteria including (without limitation), microenterprises which (i) have been unable to secure finance from the bank or commercial lending provider and (ii) have been impacted by COVID-19 resulting in a 15% or more reduction in turnover or profit<br>▸ Loan term up to a maximum of 3 years (by exception, capital expenditure may be funded up to 5 years)<br>▸ Interest-free and repayment-free moratorium will be in place for first 6 months of term, with the loan to be repaid over the remaining 30 months of the 36 month term. Repayments begin in month seven but, if all the repayments are paid in full in those six months, the interest for months seven to twelve of the loan will be refunded by the Government in month thirteen<br>▸ Interest rate after the first 6 months will be a reduced interest rate of 4.5% APR for LEO applications (applications made through a Local Enterprise Office Network) and 5.5% APR for direct applications (applications made directly to MicroFinance Ireland)<br>▸ Fixed repayment scheme with no penalties for early repayment | ▸ This scheme applies to entities which are microenterprises and applicant borrowers are subject to an eligibility criteria including (without limitation), microenterprises which (i) have been unable to secure finance from the bank or commercial lending provider and (ii) ) have been impacted by COVID-19 resulting in a 15% or more reduction in turnover or profit | Live |

# COVID-19 Response: Ireland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|

## Employment

**Employment Wage Subsidy Scheme (“EWSS”)**

- On 24 July, the Irish Government announced the introduction of a new scheme to replace the Temporary Wage Subsidy Scheme from 1 September 2020. A rate of €203 or €151.50 gross per week, will be paid to eligible businesses for each qualifying employee depending on their gross weekly pay. The rates will be as follows:

| Gross Weekly Pay | Subsidy |
|---|---|
| Employee paid more than €1,462 gross per week | No subsidy |
| Employee paid between €203 and €1,462 gross per week | €203 |
| Employee paid between €151.50 and €202.99 gross per week | €151.50 |
| Employees paid less than €151.50 gross per week | No subsidy |

**Eligibility:**

- The primary criteria for qualification is that the employer must demonstrate that they are experiencing a 30% reduction in turnover for the period 1 July to 31 December 2020 when compared to the same period last year
- A reduced rate of employer PRSI of 0.5% is charged on wages paid to eligible employees under the EWSS
- Revenue Guidelines on the EWSS are available here and our briefing on the EWSS is available here

**When?** From 1 September 2020 to 31 March 2021

# COVID-19 Response: Ireland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Grants** | | |
| **Restart Grant Plus Scheme (the updated Restart Fund for Micro and Small Businesses Scheme)**<br>► Direct grant of between €4,000 up to a maximum of €25,000 available to businesses to help them with the costs associated with reopening and reemploying workers following COVID-19 closures<br>► The grant will be based on the amount of the rates assessment for the premises for 2019 (excluding arrears). The hospitality sector, commercial sports businesses, trading charity shops and tourist attractions are eligible if they operate from a rated premises. A franchisee which is a financially independent company and is completely separate to the franchisor and small company chains that meet the criteria are also eligible to apply. B&Bs in non-rated premises will be eligible to apply for the minimum €4,000 grant from Fáilte Ireland<br>► Those that accessed funding through the previous round of the scheme are eligible to apply for a second top-up payment to a total combined value of the maximum grant level | **Criteria**<br>To qualify, enterprises must have:<br>► 250 employees or less;<br>► Turnover of less than €100,000 per employee; and<br>► Reduced turnover by 25% as a result of COVID-19<br>Multinationals, large chains that are part of a large group company and small Irish based subsidiaries with overseas parent companies are not eligible. Large chains that are part of a large group company, that is, one legal entity with a number of branches, such as fast food, group and multiple supermarkets, group hotels, group betting shops and group pharmacies are also not eligible | Firms can apply through their Local Authority<br><br>Applications will open shortly for non-rated B&Bs who must apply to Fáilte Ireland |
| **COVID-19 Business Financial Planning Grant Scheme**<br>► Government direct finance scheme<br>► This scheme is the first part of Enterprise Ireland's Rescue and Restructuring Scheme, aimed at vulnerable but viable businesses affected by COVID-19<br>► The grant is worth up to €5,000 (being 100% funding up to €5,000 to access an approved financial consultant)<br>► The grant is designed to help companies to develop a robust financial plan, including preparation of documentation required to support applications for external finance from banks and/or other finance providers (including Enterprise Ireland)<br>► Reference document with more detail can be found here https://www.enterprise-ireland.com/en/funding-supports/Company/Esetablish-SME-Funding/COVID-19-Business-Financial-Planning-Grant-Ref-Doc.pdf | The grant will be targeted at;<br>► all Enterprise Ireland (EI) Clients<br>In addition, the grant will also be open to;<br>► Údarás na Gaeltachta Clients<br>► IDA Clients<br>► Domestically focused Non-EI Clients that employ 10 or more full time staff and are manufacturing and/or Internationally Traded Services<br>The scheme is not open to companies active in the fisheries sector or in the primary production of agricultural products or companies operating in the coal and steel sector<br>Companies will need a positive de Minimis balance to cover the approved grant amount (to be self certified)<br>A condition of payment is the submission of a completed financial and business plan to Enterprise Ireland | Live via Enterprise Ireland's online portal |

# COVID-19 Response: Ireland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Grants** | | |
| **Enterprise Ireland Business Process Improvement Grant**<br>► Used to support short to medium term company projects that are designed to develop management capability and drive company efficiencies and business process improvements<br>► Improvement projects must address a clear business need and deliver a positive impact on your business. Projects must also demonstrate the potential to develop the knowledge and skills of the company's management team. The Business Process Improvement Grant can be used to support one of the following assignments;<br>1. Lean Plus Assignment (medium term business process improvement project which will result in sustained use of Lean techniques);<br>2. E-Marketing Improvement Assignment (designed to develop and enhance your company's capability to use the internet as an effective channel for business development); or<br>3. GreenPlus Assignment. (designed to assist company managers to develop a high level of environmental management capabilities, drive environmental efficiencies and achieve improved sustainability)<br>► Lean Plus Assignment and Green Plus Assignment:<br>– Eligible costs include the cost of hiring external consultant/trainers. A company may also choose to allocate the costs of an internal company project champion/manager subject to Enterprise Ireland approval<br>– The maximum level of grant support is up to 50% of eligible costs incurred to a maximum grant of €50,000<br>► e-Marketing Improvement Assignment:<br>– Eligible costs include the cost of hiring external consultant/trainers. A company may also choose to allocate the costs of an internal company project champion/manager subject to Enterprise Ireland approval<br>– The maximum level of grant support is up to 50% of eligible costs incurred to a maximum grant of €35,000 | ► Open to all Enterprise Ireland clients or potential clients who have been trading for at least 5 years and who are engaged in manufacturing or eligible internationally traded services<br>► The project which you apply to be considered under this grant must fall under one of the three assignments (Lean Plus, E-Marketing Improvement or GreenPlus) and further detail on what is considered an eligible project for one of these assignments is provided for on the Enterprise Ireland website | Live |

# COVID-19 Response: Ireland

- Note:
  - This document only summarizes key measures implemented to benefit businesses operating in Ireland (other schemes are available which are not set out here for various reasons primarily due to the size of the scheme, the targeted businesses or the purpose of the scheme e.g. a *Strategic Consultancy Grant* (to assist SMEs develop a strategic response plan), a *Be Prepared Grant* (for Enterprise Ireland clients who would benefit from further research and external expertise in examining their exposure to COVID-19 and exploring ways of addressing this); a *Business Continuity Voucher Scheme* for microenterprises etc.)
  - The measures described above were in place as of **28 October 2020**. Updates and additional government measures are expected

# Italy

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| ► **Overdraft facilities and loans granted over discount on receivables in place as of 29 February 2020:** amounts lent and related commitments may not be recalled on demand or cancelled until 31 January 2021<br>► **Loans with bullet repayment maturing before 31 January 2021:** maturity date automatically extended up until 31 January 2021 on identical terms<br>► **Loans and other financings repayable in instalments (including lease agreements):** instalments due prior to 31 January 2021 are deemed suspended and the related amortization schedule together with the related ancillary elements are deemed automatically extended at no extra cost for either party until 31 January 2021 | ► Micro-enterprises and Small and Medium Enterprises (SMEs – as defined under EU Commission Recommendation no. 2003/361/CE of 6 May 2003) affected by COVID-19 outbreak with registered offices in Italy, whose debt exposures are not classified as impaired (*deteriorate*) as of 17 March 2020. A specific request, together with a self-certification by the borrower, is required<br>► Pursuant to EU Commission Recommendation no. 2003/361/CE of 6 May 2003, the category of Micro, Small and Medium-sized Enterprises consists of enterprises which: *(i)* employ fewer than 250 persons; and *(ii)* have either an annual turnover not exceeding Euro 50 million or an annual balance sheet total not exceeding Euro 43 million. Such criteria shall be assessed taking into account, under certain conditions, also data relating to partner and linked enterprises, as defined in the EU Commission Recommendation no. 2003/361/CE of 6 May 2003<br>► Such provision only applies if the lender is a bank, a financial institution pursuant to art. 106 of the Italian Consolidated Banking Law or another entity authorised to exercise lending activities in Italy | Until 31 January 2021 |
| ► An additional moratorium (subject to certain conditions) for SMEs, with reference to their exposure as at 31 January 2020, is provided for in the "Coronavirus Addendum" to the Credit Agreement of the Italian Banking Association (ABI). More specifically, a SME may apply for *(i)* a one-year moratorium for the repayment of instalments of MLT loans (such moratorium may be extended up to two years in some cases); *(ii)* an extension up to 100% of the duration of the remaining part of the amortisation plan<br>► Such moratorium has also been extended, subject to certain conditions, to large enterprises affected by the COVID-19 outbreak | ► SMEs and large enterprises affected by the COVID-19 outbreak, with reference to their exposure as at 31 January 2020, whose debt exposures were not classified as impaired (*deteriorate*) as of 31 January 2020, provided that the relevant financing banks or institutions have agreed to the Credit Agreement and subject to certain conditions | From 7 March 2020 to 30 September 2020 (31 December 2020 for SMEs), with respect to loans outstanding as at 31 January 2020 |

# COVID-19 Response: Italy

## GOVERNMENT MEASURES FOR BUSINESSES

### Finance / Loan Schemes

- State-guarantee provided by SACE S.p.A. (a company indirectly controlled by the Ministry of Economy and Finance, through Cassa Depositi e Prestiti S.p.A.) in favour of banks, national and international financial institutions and/or other entities authorized to lend money in Italy to secure loans in any form granted to enterprises affected by the COVID-19 outbreak, to the extent that such loans (inter alia) *(i)* have a maximum duration up to 6 years (and with pre-amortization for up to 36 months) and *(ii)* are granted after 8 April 2020
- The **maximum loan amount** that can be guaranteed by SACE is equal to the higher of *(i)* 25% of the annual gross turnover in 2019 **relating to Italy** and (ii) two times the personnel costs **incurred in Italy** for FY 2019. Such data is to be calculated **on a consolidated basis**, if the applicant borrower belongs to a corporate group, **but in any case only with reference to turnover and employees of the group in Italy**. If the borrower benefits from other public loans or guarantees, such support measures shall also be taken into account
- The **maximum percentage of the loan that can be guaranteed by SACE** is equal *(i)* for borrowers with up to 5,000 employees in Italy and with an annual gross turnover of less than €1.5 billion, to 90% of the relevant loan amount; *(ii)* for borrowers with an annual gross turnover higher than €1.5 billion and up to €5 billion or with more than 5,000 employees in Italy, to 80% of the relevant loan amount; and *(iii)* for borrowers with an annual gross turnover of more than €5 billion, to 70% of the relevant loan amount. For the purposes of such calculations, if the applicant borrower belongs to a corporate group reference shall be made to the consolidated value of the gross turnover and personnel costs at group level
- The fees payable to SACE are as follows (with reference to the principal guaranteed amount): **(A)** if the Borrower is a SME: *(i)* 25 bps for the first year; *(ii)* 50 bps for second and third years; and *(iii)* 100 bps for the remaining years; **(B)** if the Borrower is not a SME: *(i)* 50 bps for the first year; *(ii)* 100 bps for the second and third years; and *(iii)* 200 bps for the remaining years

(continued on following page)

## ELIGIBILITY

- Any enterprises based in Italy, affected by the COVID-19 outbreak (including *inter alia* Large Enterprises, SMEs, self-employed ("*lavoratori autonomi*") and self-employed professionals ("*liberi professionisti*")), provided that:
  i. as at 31 December 2019 it was not an undertaking in difficulty as defined by Regulation (EU) No. 651/2014 Regulation (EU) No. 702/2014 and Regulation (EU) No. 1388/2014 (certain adjustments are however provided with respect to assessment of the debt-to-equity ratio);
  ii. as at 29 February 2020 its exposure was not classified as a non-performing exposure of the relevant bank (as defined under European legislation);
  iii. the applicant company does not control (or is controlled by, pursuant to Article 2359 of the Italian Civil Code), companies based in countries classified as non-cooperative jurisdictions for tax purposes, as identified in the list approved by the Council of the EU.
  iv. as for SMEs, they have exhausted the guarantees provided by the *Fondo di Garanzia PMI* (see below) and by the Agricultural Food Market Service Institute (ISMEA)

(continued on following page)

## WHEN?

The SACE guarantee may be granted until 31 December 2020, for loans granted after 8 April 2020

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| ► A loan which benefits from the SACE Guarantee may only be used for one of the following purposes: *(i)* bearing personnel costs; *(ii)* lease of a branch of business *(affitto di ramo d'azienda); (iii)* investments or working capital relating to production facilities and business activities located in Italy<br>► The borrower, including on behalf of any other group member based in Italy, must agree for the whole of 2020 *(i)* not to approve either dividend distributions or share buy backs; and *(ii)* to manage employment levels in accordance with collective bargaining arrangements. If the share buy back or dividend distribution have already been executed, such undertaking applies in the 12 months following the application for the guarantee<br>► Provisions relating to the SACE Guarantee also apply, subject to certain conditions, to assignment of receivables with recourse (*pro solvendo*) executed in the frame of factoring agreements pursuant to Law No. 52/1991<br>► SACE may grant – subject to certain conditions and, in some cases, to authorization by the Ministry of Economy and Finance – guarantees in favour of banks, financial institutions and other entities subscribing bonds and other securities issued by enterprises with a rating equal at least to BB- (and meeting the other relevant criteria to access the SACE Guarantee) | ► Such guarantees may be granted also to enterprises which (i) have been admitted to a composition with creditors procedure on a going concern basis (concordato preventivo con continuità aziendale); (ii) entered into a debt restructuring agreement (accordo di ristrutturazione); or (iii) executed a certified reorganization plan pursuant to Art. 67.3.d of the Italian Bankruptcy Law (piano attestato di risanamento), provided that on the date on which they apply for the SACE Guarantee inter alia, (a) their debt exposure is not classified as impaired, (b) they have no delays on payments; (c) the relevant financing entity may reasonably presume that the debt exposure will be repaid on the expiry date; and (iv) their debt exposure is not classified as "bad loans" (sofferenze)*<br>► Guarantees to be granted in the interest of enterprises with more than 5000 employees or a turnover of more that 1.5 billion are subject to specific provisions<br><br>*Please note that effectiveness of such provision is subject to final approval by the EU Commission | |

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| ► Temporary derogations to certain conditions of the Guarantee Fund for SMEs (*Fondo di Garanzia per le PMI*) provided by the Ministry of Economic Development. More specifically, *inter alia*:<br>i. Guarantees provided by the *Fondo di Garanzia per le PMI* until 31 December 2020 are interest free;<br>ii. The maximum guaranteed amount for each enterprise is increased up to Euro 5 million<br>► The maximum loan amount which may be guaranteed by the Guarantee Fund for SMEs is increased, subject to certain conditions, *(i)* to 90 % in case of <u>direct guarantees</u>; and *(ii)* to 100 % (of the amount guaranteed by the Confidi or other guarantee funds) in case of <u>counter-guarantee</u>, provided that (in both cases) the following limits are met:<br>i. duration of financing not exceeding 72 months;<br>ii. total amount which, in relation to the beneficiary, must not exceed, alternatively, *(i)* twice the total annual amount of wages; or *(ii)* 25 % of total turnover in 2019; or *(iii)* the need for costs relating to working capital and investment costs in the following 18 months for SMEs, or 12 months for enterprises employing up to 499 persons. Absent any specific instructions/clarifications in such respect by the relevant Authorities, it might be assumed that relevant calculations shall be made **at the level of the single beneficiary**<br>(Continued on following page) | ► SMEs (as defined above) and Mid Caps (i.e., enterprises employing up to 499 persons), based on annual work units (*unità di lavoro-anno*) of 2019) whose debt exposure is not classified as "bad loans" *(sofferenze)*<br>► With respect to Mid Caps, on the basis of the application form issued by the Guarantee Fund for SMEs, it seems that *(i)* the number of 499 employees shall be assessed only with respect to the guaranteed enterprise (*i.e.,* employees of partner or linked enterprises shall not be considered); *(ii)* such guarantee may be accessed by *all* enterprises employing up to 499 persons, regardless of their turnover and balance sheet total (and, as such, regardless of any other relevant thresholds for the purposes of being a "SME")<br>► Such measures apply also to enterprises active in the agricultural and fishing industry<br>(Continued on following page) | Until 31 December 2020 |

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| ► The guarantee of the Guarantee Fund for SMEs may be granted also with respect to (i) refinancing transactions, provided that new finance is granted for an amount equal to at least 10% of the outstanding debt (or, with respect to financings approved by the lender after 7 June 2020, at least 25% of the outstanding debt); *(ii)* financings already granted by the lender no more than 3 months before the date of submission of the request and, in any case, no later than 31 January 2020. The lender shall, in such cases, submit to the Guarantee Fund for SMEs a statement certifying a reduction in the interest rate applied to the beneficiary, as a consequence of the issue of the guarantee<br>► Until 31 December 2020, and subject to certain conditions, certain derogatory measures have been introduced with regard to guarantees on loan portfolios (so-called synthetic securitizations), even without an amortization plan, dedicated to companies damaged by the COVID-19 emergency<br>► All the deadlines relating to the administrative fulfilments relating transactions covered by the Guarantee Fund for SMEs have been extended by 3 months | ► Such guarantees may be granted also to enterprises:<br>i. whose debt exposure has been classified as “unlikely-to-pay exposure” or “overdrawn and/or past-due exposure” (pursuant to Circular No. 272 of 30 July 2008 of the Bank of Italy), provided that such qualification does **<u>not</u>** precede 31 January 2020 (if such qualification precedes 31 January 2020, admission to the guarantee is subject to certain limitations);<br>ii. which, after 31 December 2019, *(i)* have been admitted to a composition with creditors procedure on a going concern basis (*concordato preventivo con continuità aziendale)*; *(ii)* entered into a debt restructuring agreement (*accordo di ristrutturazione*); or *(iii)* executed a certified reorganization plan pursuant to Art. 67.3.d of the Italian Bankruptcy Law (*piano attestato di risanamento*), provided that, *inter alia*, *(i)* their debt exposure is not classified as impaired, *(ii)* after entering the aforementioned insolvency procedures, they have no delays on payments; and *(iii)* the relevant financing entity may reasonably presume that the debt exposure will be repaid on the expiry date<br>iii. which have obtained, on financial transactions guaranteed by the Guarantee Fund for SMEs, an extension of the guarantee due to temporary difficulties of the beneficiary, subject however to certain conditions*<br><br>*Please note that effectiveness of such provision is subject to final approval by the EU Commission | |

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| ► The “Curaitalia Decree” provides for a state-guarantee on exposures incurred by Cassa Depositi e Prestiti S.p.A., also in the form of first loss guarantees on portfolios of loans, up to a maximum of eighty % of such exposure, vis-à-vis banks and other parties authorized to exercise lending activities, which grant loans in any form to companies that have suffered a reduction in turnover due to the COVID-19 outbreak | ► Businesses not eligible to access the guarantees granted by the Guarantee Fund for SMEs and operating in certain business sectors, that have suffered a reduction in turnover due to the epidemiological emergency by COVID-19 (more details on eligibility will be provided in a ministerial decree, yet to be issued) | From 17 March 2020 |
| ► The “Liquidity Decree” provides, in addition, for a further state-guarantee on exposures incurred or to be incurred by Cassa Depositi e Prestiti S.p.A. by 31 December 2020, deriving from guarantees, also in the form of first loss guarantees, on portfolios of loans granted, in any form whatsoever, by banks and other entities authorized to exercise lending activities in Italy to enterprises that suffered a reduction in turnover due to the COVID-19 outbreak, in such a way as to ensure the granting by the lenders of new loans in accordance with the amount of regulatory capital released as a result of the guarantees themselves. Such provision is subject to the issuance of a specific decree by the Ministry of Economy and Finance | ► Companies based in Italy (*i.e.,* pursuant to a prudential interpretation, with registered office in Italy) that have suffered a reduction in turnover due to the epidemiological emergency by COVID-19 | From 9 April 2020, upon issuance by the Ministry of Economy and Finance of the relevant decree |

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| ► Tax credit for 2020 in favor *inter alia* of all those who carry out a business, art or profession equal to 60% of expenses relating to the sanitization of the working environment, as a measure to contain the contagion of the COVID-19 virus, including expenses *(i)* relating to the purchase of personal protective equipment; and *(ii)* incurred for the purchase and setup of other safety devices to protect workers from accidental exposure to biological agents or to ensure interpersonal safety distance. Such tax credit may be granted up to € 60,000 per beneficiary | ► Everyone carrying out a business, art or profession | Relating to year 2020 |
| ► Cancellation of the IRAP balance payment due for FY 2019 and the first instalment of the IRAP advance payment due for FY 2020 | ► Businesses and self-employed workers with revenues relating to FY 2019 not exceeding €250 million | Relating to FY 2019 and 2020 |
| ► Postponement of the deadlines for payment of the debts expiring in the period from 8 March 2020 to 31 December 2020 administered by the tax collection agents. The relevant amounts shall be paid within the month following such period | ► All companies liable for such obligations | From 17 March (applies retroactively (see left)) to 31 December 2020 |
| ► Tax deduction for year 2020 up to 30% (and for a maximum amount of € 30,000) of gifts in cash made, during 2020, by individuals and non-commercial bodies in favor of the State, regions, local authorities, bodies or foundations and associations legally recognized as non-profit-making; | ► Individuals and non-commercial bodies | From 17 March 2020 and in relation to year 2020 |
| ► Amendment to certain ordinary rules governing the calculation of advance payments based on the so-called forecasting method ("*metodo previsionale*"), for the purposes of personal income tax, corporate income tax and regional business tax | ► All companies/persons liable to pay the relevant taxes | Fiscal year following the one ongoing as of 31 December 2019 |
| ► Suspension, until 31 December 2020, of certain deadlines provided in order to grant taxpayers to right to be eligible for the so-called "main house benefit" ("*beneficio prima casa*"), *i.e., inter alia* the term of 18 month from the purchasing of the "main house", within which the taxpayer must transfer his/her residence to the municipality where the house is located | ► Taxpayers wishing to benefit from the so-called "main house benefit" ("*beneficio prima casa*"), provided that they meet the other relevant requirements | Until 31 December 2020 |

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| ► Tax credit equal to 20% of cash contributions, calculated on a maximum amount of Euro 2 million, in certain types of companies (*i.e., inter alia Società per azioni* (S.p.A.), *Società a responsabilità limitata* (S.r.l.) and cooperative companies, with certain exceptions), having their registered office in Italy and which (i) had revenues for FY 2019 higher than Euro 5 million and up to Euro 50 million (on a consolidated basis if the company is part of a corporate group); (ii) registered a reduction in revenues of not less than 33% in March and April 2020, compared to the same period of the previous year (on a consolidated basis if the company is part of a group); (iii) resolve and carry out after 19 May 2020 and before 31 December 2020 a fully paid in capital increase of at least Euro 250,000<br>► Such incentive also applies to contributions in favour of permanent establishments in Italy of companies resident in EU Member States or in Countries belonging to the European Economic Area, or made through shares or quotas of collective investment vehicles resident in the territory of the State or in EU Member States or in Countries belonging to the European Economic Area, which invest more than 50% of their assets in the share capital of the abovementioned entities (excluding financial intermediaries) | ► Entities and individuals making such capital contributions, provided that (i) the relevant stake acquired is not transferred until 31 December 2023; (ii) the company benefiting from the capital contribution is not controlled by them, directly or indirectly; (iii) they do not distribute any type of reserves until 31 December 2023 (under penalty of loss of the incentive and obligation to pay it back) | Capital increases resolved upon and carried out after 19 May 2020 and before 31 December 2020 |
| ► Tax credit equal to 50% of the losses exceeding 10% of the net equity, up to 30% of the capital increase executed in certain types of companies (*i.e., inter alia Società per azioni* (S.p.A.), *Società a responsabilità limitata* (S.r.l.) and cooperative companies, with certain exceptions), having their registered office in Italy and which, in addition to the criteria mentioned in the line above in this chart, meet further conditions of financial stability and tax compliance | ► Companies making such capital increase, meeting the criteria mentioned in the line above in this chart, provided that they do not distribute any type of reserve before 1 January 2024 (under penalty of loss of the incentive and obligation to pay it back) | Capital increases resolved upon and carried out after 19 May 2020 and before 31 December 2020 |

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| ► Certain measures to strengthen the ecosystem of innovative start-ups have been adopted. More specifically, (i) extension of certain tax credits (already provided for research contracts entered into with universities and research institutes) to research contracts entered into with innovative start-ups; (ii) extension by 12 months of the 5-year term relating to qualification as "innovative start-up" (except for tax purposes); (iii) tax deductions for individuals investing in innovative start-ups or innovative SMEs equal to 50% of the invested amount and up to Euro 300,000 in each fiscal year, provided that the relevant stake is maintained for at least three years | ► Innovative start-ups and individuals investing in innovative start-ups or innovative SMEs | From 19 May 2020 |
| ► Possibility of assigning tax credits arising from certain COVID-19 measures to other entities, including landlords, banks and other financial institutions | ► Beneficiaries of the relevant tax credits | Until 31 December 2021 |
| ► Exemption from payment of the TOSAP and COSAP (the taxes due for occupying public areas) | ► Restaurants and bars holding concessions or authorizations for the use of public land | From 1 May 2020 to 31 December 2020 |
| ► Tax credit equal to (i) 10% of the expenses incurred in 2019 for the purchase of newsprint for newspapers and books (up to a maximum amount of Euro 30 million for FY 2020); and (ii) 30% of the actual expenses incurred in 2019 for the purchase of server and hosting services related to newspapers and magazines published in digital format and certain IT service (up to a maximum amount of Euro 8 million for FY 2020) | ► Publishers of newspapers and periodicals | FY 2020, relating to expenses incurred in 2019 |
| ► Suspension of the offsetting of tax credits against tax debts with respect to tax refunds to be executed in 2020 | ► Entities liable to pay the relevant taxes | Relating to tax refunds to be executed in 2020 |

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| ► More favourable conditions for companies applying for the ordinary wage supplementation regime ("Trattamento ordinario di integrazione salariale" – CIGO) or the wage supplementation fund ("Fondo di Integrazione Salariale" – FIS). In particular, inter alia, the following rules apply:<br>i. no need to specify the reasons for the application: it is sufficient to specify that the application is due to "COVID-19 emergency";<br>ii. the period during which this special salary integration is used does not count for the purpose of verifying the statutory time limits for the use of state-funded workers suspension plans;<br>iii. no need to meet the requirement relating to the employees' actual seniority in order to benefit from the wage supplementation. Such regime applies to all employees employed as of 23 February 2020. In addition, pursuant to the "Liquidity Decree", such wage supplementation applies also to employees hired in the period from 24 February 2020 to 17 March 2020<br>► With respect to the *Fondo di Integrazione Salariale, (i)* the ordinary cheque may be exceptionally provided – not only for those employers employing more than 15 employees but also for employers registered with FIS who employ between 5 and 15 employees, who generally don't fall within the scope of the rules regarding the application of the ordinary cheque; and *(ii)* only for 2020, the "company threshold" – i.e., the monetary limit within which the FIS pay-outs are set for each employer (*i.e.,* 10 times the amount of the ordinary social charges due by the employer) – shall not apply | ► ***Trattamento ordinario di integrazione salariale – CIGO:*** an application for such measure can be made by companies *(i)* falling within the scope of the CIGO (e.g., industrial, manufacturing and transport companies, etc.), *(ii)* which in 2020 suspend or reduce their working activities due to the COVID-19 outbreak. Such application may be made also by companies already benefiting, as of 23 February 2020, from extraordinary wage supplementation<br>► ***Fondo di integrazione salariale – FIS:*** an application for such measure can be made by employers who *(i)* are registered with the Salary integration fund (FIS) implemented by INPS and pay the relevant contribution; *(ii)* employ on average more than 5 and less than 50 employees; *(iii)* do not fall within the scope of the ordinary or extraordinary wage supplementation schemes; and *(iv)* operate within sectors for which no bilateral solidarity funds or alternative bilateral solidarity funds have been activated. Such application may be made by employers already benefiting, as of 23 February 2020, from a "solidarity cheque" | Pursuant to Law Decree n. 104 of 14 August 2020, applications can be made for a period of nine weeks (which may be extended – subject to certain conditions – by an additional nine weeks), in the period between 13 July 2020 and 31 December 2020. Applications shall be filed by the end of the month following the one in which the working activities have been suspended or reduced |

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| ► Special provisions relating to the so-called *“Cassa integrazione in deroga (CIG in deroga)”*. In particular, Italian regions and autonomous provinces may grant, as a consequence of the COVID-19 emergency, wage supplementation schemes “in derogation”, for the period, up to nine weeks (which may be increased by an additional nine weeks, subject to certain conditions), in which the employment relationship is suspended<br>► This measure may be granted within an overall limit of Euro 4.936,1 million for 2020, starting from 23 February 2020 and for employees employed as of 25 March 2020. Pursuant to the “Liquidity Decree”, such provision applies also to employees hired in the period from 24 February 2020 to 17 March 2020 | ► Employers and companies not eligible for the *Trattamento ordinario di integrazione salariale* – CIGO or the *Fondo di integrazione salariale* – FIS (e.g., companies operating in the trade and/or tourism sector which are not registered with FIS, etc.). In order to benefit from the wage integration “in derogation” employers must execute an agreement with the trade unions that are mostly representative at national level, even online for those employers employing at least 5 employees | Pursuant to Law Decree n. 104 of 14 August 2020, applications can be made for a period of nine weeks (which may be extended – subject to certain conditions – by an additional nine weeks), in the period between 13 July 2020 and 31 December 2020. Applications shall be filed by the end of the month following the one in which the working activities have been suspended or reduced |
| ► Employers are prohibited from commencing collective dismissal procedures pursuant to Law no. 223/1991 and individual dismissal procedures, until they have entirely exhausted the wage supplementation regimes provided for by the Covid legislation. Subject to the same conditions, any collective dismissal procedures commenced after 23 February 2020 and any pending dismissal procedures for objectively justified reason (*giustificato motivo oggettivo*) are suspended | ► All employers in Italy who have not entirely benefited from wage supplementation regimes provided by the Covid legislation, except *inter alia* in the following cases: (i) the business is wound up; (ii) dismissal procedures are started in the frame of a bankruptcy proceeding without temporary preservation of the going concern; (iii) a company collective agreement (*accordo collettivo aziendale*) is executed, subject to consent by the relevant employees | From 17 March 2020, until the wage supplementation regimes provided for by the Covid legislation have been exhausted |
| ► The period spent in quarantine by private employees is equated to sickness for the purposes of the economic treatment provided for by the relevant legislation | ► All private employees | From 17 March 2020 |

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Grants** | | |
| ► **Contribution to restaurant and food service businesses**, for the purchase of local agricultural, food and wine products (amount and eligibility criteria shall be specified by means of a decree of the Ministry of agricultural, food and forestry policies) | ► Restaurant and food service businesses, which have suffered a loss of turnover from March to June 2020 of at least 25% compared to the same period in 2019 | To be determined by means of a decree of the Ministry of agricultural, food and forestry policies |
| ► **Contribution to commercial activities in the historic centers** | ► Businesses of the historic centers which suffered a decrease of more than 1/3 in turnover in June 2020 compared to the same month of 2019 | From 15 August 2020 |

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| ► **Export support measures through SACE:** SACE S.p.A.'s intervention in support of export and internationalization activities of companies is modified through the introduction of a co-insurance system under which the commitments deriving from SACE's insurance activity, for non-market risks, are taken on by the State for 90% and SACE for the remaining 10% | | From 8 April 2020 |
| ► **Support for sport organizations:** The "Liquidity Decree" provides for certain guarantees and interest-rate subsidies, to be granted, until 31 December 2020, by certain funds established in the frame of the Istituto per il Credito Sportivo, with respect to loans provided by the same Istituto per il Credito Sportivo or other banking institutions, for the liquidity needs of certain sport organizations | ► Certain sport organisations | From 9 April 2020 to 31 December 2020 |
| ► Suspension of certain provisions of the Italian Civil Code relating to the reduction of the value of share capital due to losses in the *Società per azioni – S.p.A.* and *Società a responsabilità limitata – S.r.l* | ► *Società per azioni – S.p.A.* and *Società a responsabilità limitata – S.r.l.* | Until 31 December 2020 |
| ► Amendment to the principles for the preparation of financial statements, allowing in any case the evaluation of the items on a going concern basis as per article 2423 bis, paragraph 1, no. 1) of the Italian Civil Code, if it was possible to do so in respect of the most recent financial period ending prior to 23 February 2020 | ► Companies required to prepare financial statements | Financial statements as at 31 December 2020, as well as financial statements closed by 23 February 2020 but not yet approved |

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| ► Suspension of the equitable subordination rule provided for by Articles 2467 and 2497-*quinquies* of the Italian Civil Code, with respect to certain shareholder loans and loans granted to a company by entities exercising an activity of direction and coordination over it (*attività di direzione e coordinamento*) | ► *Società per azioni – S.p.A.* and *Società a responsabilità limitata – S.r.l* | Until 31 December 2020 |
| ► Postponement to 1 September 2021 of the date of entry into force of the new Italian Business Crisis and Insolvency Code (Legislative Decree No. 14 of 12 January 2019, which was originally to enter into force on 15 August 2020) | | 1 September 2021 |
| ► Six months extension to the deadline for compliance with obligations due to be performed after 23 February 2020, in the frame of compositions with creditors (*concordati preventivi*) and debt restructuring agreements (*accordi di ristrutturazione*) that have already been homologated (i.e., court-approved) | ► Enterprises currently subject to a homologated composition with creditors (*concordato preventivo*) or debt restructuring agreement (*accordo di ristrutturazione dei debiti*) | Extension by six months of the deadline for compliance with obligations due to be performed after 23 February 2020 |

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
| --- | --- | --- |
| **Other** | | |
| ► Possibility, with respect to procedures of homologation of composition with creditors (*concordati preventivi*) and debt restructuring agreements (*accordi di ristrutturazione*) pending as at 23 February 2020, to file an application to court prior to the homologation hearing, for an extension not exceeding ninety days for the filing of a new plan and a new proposal for composition with creditors (*concordato preventivo*) or a new debt restructuring agreement (*accordo di ristrutturazione*) | ► Enterprises which have filed an application to access a composition with creditors procedure (*concordato preventivo*) or a debt restructuring agreement (*accordo di ristrutturazione dei debiti*) pending as at 23 February 2020. With respect to the composition with creditors procedure (*concordato preventivo*), such application cannot be made if the creditors' meeting has already been held and the necessary majorities for approval of the *concordato preventivo* proposal have not been met | Application to be filed prior to the homologation hearing, for procedures pending as at 23 February 2020 |
| ► Possibility to request the postponement for up to six months of existing payment/fulfillment deadlines in a *concordato preventivo* proposal or debt restructuring agreement (*accordo di ristrutturazione*) not yet homologated as at 23 February 2020. The debtor must file the petition prior to the hearing scheduled for the homologation, together with the documentation evidencing the need for such postponement | ► Enterprises which have filed an application to access a composition with creditors procedure (*concordato preventivo*) or a debt restructuring agreement (*accordo di ristrutturazione dei debiti*) pending as at 23 February 2020 | Application to be filed prior to the homologation hearing, for procedures pending as at 23 February 2020 |

# COVID-19 Response: Italy

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| ► Possibility of being granted an extension of the relevant deadlines by up to 90 days in the frame *(i)* of the so-called “preliminary petition” of composition with creditors (*domanda di concordato con riserva*) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law; or *(ii)* of an "automatic stay" pursuant to Article 182 bis, paragraph 7, of the Italian Bankruptcy Law, granted while negotiations for the execution of the debt restructuring agreement (*accordo di ristrutturazione*) were pending | ► Debtors who either *(i)* have already been granted a deadline in the frame of the so-called “preliminary petition” of composition with creditors (*domanda di concordato con riserva*) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law and have already benefited from the “ordinary” extension provided for by law; or *(ii)* have been granted an "automatic stay" pursuant to Article 182 bis, paragraph 7, of the Italian Bankruptcy Law, while negotiations for the execution of the debt restructuring agreement (*accordo di ristrutturazione*) were pending | Extension of up to 90 days to be requested before the expiry of the deadline |
| ► Debtors who, before 31 December 2021, have been granted a deadline in the frame (i) of the so-called “preliminary petition” for composition with creditors (*domanda di concordato con riserva*) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law, or (ii) of an "automatic stay" pursuant to Article 182 bis, paragraph 7, of the Italian Bankruptcy Law, may – within the same deadline – waive to the relevant procedure and execute a reorganization plan pursuant to Article 67, paragraph 3, let. D), of Italian Bankruptcy Law | ► Debtors who, before 31 December 2021, have been granted a deadline in the frame of the so-called “preliminary petition” of composition with creditors (*domanda di concordato con riserva*) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law, or of an "automatic stay" pursuant to Article 182 bis, paragraph 7, of the Italian Bankruptcy Law | Deadlines granted before 31 December 2021 |
| ► Deadlines granted in the frame of “preliminary petitions” for composition with creditors (*domanda di concordato con riserva*) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law, filed by 31 December 2020 and relating to companies for which a petition for bankruptcy is pending, are not subject to the ordinary 60-day limit | ► Companies for which a petition for bankruptcy is pending, filing for “preliminary petitions” for composition with creditors (*domanda di concordato con riserva*) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law | Before 31 December 2020 |

# COVID-19 Response: Italy (Continued)

**Note:**

- This document only summarizes key measures implemented to benefit businesses operating in Italy provided for by (i) Law-Decree No. 18 of 17 March 2020 (so-called "Curaitalia Decree", as amended and converted into law by Law No. 27 of 24 April 2020); (ii) Law-Decree No. 23 of 8 April 2020 (so-called "Liquidity Decree", as amended and converted into law by Law 5 June 2020, No. 40); (iii) Law-Decree No. 34 of 19 May 2020 (so-called "Relaunch Decree", as amended and converted into law by Law No. 77 of 17 July 2020); (iv) Law-Decree No. 104 of 14 August 2020 (so-called "August Decree", as converted into law by Law No. 126 of 13 October 2020). In addition, we have mainly focused on measures relating to private companies and private employees.
- The measures described above were in place as of **28 October 2020**. Amendments to the abovementioned decrees are however expected in the near future.
- By means of several Decrees of the President of the Italian Council of Ministers, starting from March 2020, all industrial/manufacturing and commercial activities not considered as strictly necessary (as specifically indicated and set out in such Decrees) had been suspended and certain containment measures had been adopted. Although, starting from 18 May 2020, most economic activities have been allowed to reopen, social distancing measures still apply and certain activities remain subject to limitations.
- By means of a Decree of the President of the Italian Council of Ministers dated 24 October 2020 (effective from 26 October 2020) further restrictions have been introduced in order to face the so-called "second wave" of the COVID-19 outbreak. Such Decree has imposed inter alia restrictions on certain economic activities (such as, *inter alia*, cafes, restaurants, cinemas, etc.).
- A new Law-Decree, providing for further business support measures, has been approved by the Italian Council of Ministers, but has not yet been published in the Official Gazette.

# Luxembourg

# COVID-19 Response: Luxembourg

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
| --- | --- | --- |
| **Finance / Loan Schemes** | | |
| **Bank guarantees from the Chamber of Commerce**<br>▶ The Luxembourg Chamber of Commerce is providing bank guarantees for Luxembourg companies facing financial difficulties and looking for more liquidity as a result of COVID-19. Luxembourg businesses applying for new lines of credit or bank loans will be able to benefit from a guarantee of up to 50% of the value of the credit for a maximum amount of €250,000 | ▶ Available to all Luxembourg based companies | Live |
| **Bank guarantees from the State**<br>▶ State-backed guarantees applicable to any new line of credit (e.g., for investment or working capital purposes) contracted with participating Luxembourg credit institutions between 18 March 2020 and 31 December 2020; and having a maximum maturity date of six years<br>▶ The Luxembourg state will guarantee up to 85% of new credit lines, provided that the amount of the new credit line does not exceed 25% of the eligible company's turnover for the year 2019 (or failing that, the last year available)<br>▶ Special limitations will apply to certain innovative start-ups (i.e., line of credit cannot exceed the workforce cost x 2, and will not apply to companies created after 31 December 2019)<br>▶ Guarantee premiums, to be borne by the borrower, will also apply | ▶ Available to Luxembourg based companies, economically viable before 18 March 2020 (as independently assessed by the participating bank)<br>▶ **Exclusions:** Real estate companies, holding companies and companies that were in financial distress prior to 1 January 2020 | From 18 March to 31 December 2020 |
| **Anti-crisis credit support (SNCI)**<br>▶ The SNCI (*Société Nationale de Crédit et d'Investissement*) , a public-law banking institution, will finance up to 60% of new credit line requests from a company to its usual bank, provided that the company's usual bank covers the 40% remaining<br>▶ The credit support by the SNCI will apply to new credit lines having (i) a minimum amount of €12,500 and a maximum of €10 million; and (ii) a maximum maturity date of five years (initial grace period on the repayment of capital to be a maximum of two years) | ▶ Luxembourg SMEs and large corporates holding business licences<br>▶ Measure reserved for financing of any exceptionnal needs that have arisen as a consequence of the COVID-19 crisis | Available until 31 December 2020 |

# COVID-19 Response: Luxembourg

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Anti-Crisis SME Guarantee (SNCI)**<br>► The SNCI provides an indirect guarantee instrument to facilitate funding of COVID-19 related extraordinary costs. This guarantee is granted through the participating banks<br>► This guarantee can only be used to solve for funding needs caused directly by COVID-19 and may not exceed €2.5 million. The guarantee will cover up to 80% of the extraordinary financial needs, capped at €1 million<br>► The duration of the guarantee will be of a maximum of three years from the date of granting of the funding by the commercial participating bank | ► Available to SMEs based in Luxembourg, having a valid business license and experiencing temporary financial difficulties<br>► For further details on eligibility, the SMEs must directly contact their commercial banks | Guarantee may be granted up to 31 December 2020 |
| **Moratorium on business loans**<br>► Eligible businesses can request the postponement of the repayment of the principal and interest of any loan or leasing agreement entered into on or prior to 18 March 2020 with the participating bank. The moratorium cannot exceed 6 months from the date it is granted<br>► **N.B.: The moratorium on business loans is only available at the discretion of participating banks**<br>► Any moratorium applied after **30 September 2020** will not be deemed to be a European Banking Authority (EBA) compliant general payment moratorium. Institutions may however continue to offer moratoria in response to the COVID-19 pandemic after 30 September 2020. After this date the general forbearance framework applies so that exposures subject to new moratoria cannot benefit from the flexibility provided in respect of moratoria applied on or prior to 30 September 2020<br>► As a consequence, all exposures benefiting from a moratorium relating to the COVID-19 pandemic applied after **30 September 2020** will have to be classified into forborne. These exposures will be subject to the distressed restructuring test on a case-by-case basis. In case of an affirmative distressed restructuring test, i.e., the exposure is distressed restructured, institutions shall classify the obligor in default and the exposure as non-performing | ► Available to non-financial companies based in Luxembourg, economically viable before 18 March 2020 and facing financial difficulties due to COVID-19 crisis<br>► The eligibility of the business (i.e., existence of negative repercussions due to COVID-19 crisis) will be assessed independently by the participating bank on the basis of the evidence produced by the client<br>► **Exclusion:** loans granted to property developers for the purchase, sale or development phases of real estate are excluded from this scheme | Must take effect before 30 June 2020 |

# COVID-19 Response: Luxembourg

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **No penalties for late filing of returns for indirect taxes**<br>► The *Administration de l'Enregistrement, des Domaines et de la TVA* will not impose penalties for late filing of VAT returns (until further notice), nor for a late filing of the Q1 2020 subscription tax return (normally due to be filed by 20 April 2020) | ► Any taxpayer concerned by the filing of VAT returns or subscription tax returns (for the latter, the late filing must be due to circumstances linked to COVID-19) | Live |
| **Postponement of tax advances**<br>► All tax payments for income tax/corporate income tax and municipal business tax for Q1 and Q2 2020 will be postponed for Luxembourg companies that can demonstrate to the Luxembourg authorities that they have experienced material cash flow issues due to COVID-19 | ► All Luxembourg corporate taxpayers and all Luxembourg individual taxpayers who realise commercial income, income from agricultural or forestry activities or income from the designated professions (professions libérales) | Live |
| **Direct taxes: deferral of filing deadline & payment deadline**<br>► Payment delays of up to four months for income tax/corporate income tax, municipal business tax and net wealth tax, without late payment interest being charged. At the end of the four-month period, the taxes must be paid in full. The request should be systematically approved by the tax authorities | ► All Luxembourg corporate taxpayers and all Luxembourg individual taxpayers who realise commercial income, income from agricultural or forestry activities or income from the professions (*professions libérales*)<br>► For the payment delay: only if the original payment deadline is after 29 February 2020 (and in principle the taxpayer should experience cash flow issues due to COVID-19). Form to be filled online | Live |
| **Individual taxes: situation of cross-border commuters**<br>► Agreements reached with France, Belgium and Germany that days spent working in the country of residence instead of Luxembourg since 11/14 March because of the COVID-19 restrictions and recommendations will not count in the maximum number of days employees are allowed to work in their home country before becoming liable to personal income tax in that country as well. Agreements with France and Belgium have been extended until 31 December 2020; the agreement with Germany was also extended until 31 December 2020 and will thereafter be automatically renewed monthly as long as no party notifies its intention to terminate it | ► Cross-border commuting employees | Live (details yet to be made public) |

# COVID-19 Response: Luxembourg

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Support for employers and employees**<br>► Luxembourg companies will be compensated by the Luxembourg government for indemnities they have to pay to employees requested to go on partial unemployment leave. The employer pays each employee the salary that is due for the hours of work carried out, as well as a compensatory indemnity for the inactive hours, corresponding to at least 80% of the salary that the employee would normally receive<br>► The Luxembourg state, and more specifically the Luxembourg Employment Fund will reimburse employers for the compensatory indemnity. Reimbursement is limited to 80% of the employee's normal hourly salary and capped at 250% of the minimum social wage during a maximum of 1,022 hours per full-time employee and per calendar year (for part-time employees, this quota of hours is prorated). The indemnity will amount to a minimum of €2,142.94 euros (minimum social wage for unskilled workers) and a maximum of €5,363.48. Advances may be paid on the basis of the actual payroll at the date on which the respective government decision takes effect | ► Certain companies which continue to suffer negative effects from the health crisis once the state of emergency ends may benefit from partial unemployment until the end of 2020. Specifically:<br>– Industrial companies - under the condition that they undertake to not lay off employees for economic reasons;<br>– Companies in the restaurant, tourism and event management sectors - no limitation to the number of employees who can be covered by partial unemployment. If proven to be necessary for economic reasons, these companies will be able to lay off up to 25% of their workforce before 31 December 2020. In the event of subsequent recruitment, employers must prioritize hiring their formerly dismissed employees; and<br>– All other companies - under the condition that they do not lay off employees for economic reasons. The number of employees covered by partial unemployment may not exceed 20% of their workforce for the months of September and October and 15% of their workforce for the months of November and December<br>► Businesses which fail to respect the above thresholds must introduce: a motivated recovery plan in the case of small businesses with fewer than 15 employees; or a job protection plan in accordance with the provisions of the Labour Code in the case of businesses with more than 15 employees;<br>► Companies from vulnerable sectors that are dismissing more than 25% of their workforce, and all other companies that are envisaging laying off employees, will have to submit an "ordinary" request for partial unemployment, which can only be granted if such companies establish restructuring plans | From 25 June 2020 |

# COVID-19 Response: Luxembourg

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Leave for family support**<br>► Employees and self-employed professionals may request “leave for family support” to enable them to look after a disabled adult or an elderly person following the closure of a day-care structure or a training or employment structure if there is no other way of caring for the disabled adult or elderly person<br>► If necessary, where several people live in the same home as the disabled adult or elderly person, such persons may alternate taking leave for family support. In this case, each person wishing to take leave must submit a duly completed form<br>► The duration of the leave for family support may not exceed the duration of the state of emergency. The leave shall end before the end of the state of emergency if the day-care structure or training or employment structure notifies the Minister that it has resumed all or part of its activities | ► The following conditions must be met:<br>– the approved structure that would normally take care of the disabled adult or elderly person must have ceased all or part of its activities in the context of the state of emergency;<br>– the private-sector employee or self-employed person must look after the disabled adult or elderly person in the home where they both live; and<br>– neither the applicant private-sector employee or self-employed person or any other member of the household may be covered by the arrangements for partial unemployment during the period for which the leave is requested and there must be no other solution available for providing care | Retroactively, from 18 March 2020 to 25 November 2020 |
| **Social security contributions:**<br>► The CCSS has put the following temporary measures into place:<br>– suspension of the calculation of default interest for late payments;<br>– suspension of the initiation of proceedings for the forced collection of contributions;<br>– suspension of the enforcement of constraints by bailiff; and<br>– suspension of fines to be pronounced against employers who are late in making declarations to the CCSS<br>► While it is clear that all social security contributions remain due, the employer can nevertheless better organise his cash flow, in combination with other economic measures introduced as part of the COVID-19 crisis<br>► The aforementioned measures do not only apply to future calls for contributions, but also to the current balances of social security contributions, notwithstanding any mention (interest, fines, etc.) on the CCSS statement of account dated 14 March 2020 | ► Companies and self-employed professionals | 1 April 2020 |

# COVID-19 Response: Luxembourg

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Leave for family reasons**<br>► A special family leave allowance for parents in the event of quarantine or isolation of a child has been made available<br>► If a child is placed in quarantine or isolation by order or recommendation of a competent Luxembourg authority and the parents of the children concerned have to look after their child, one of the parents is entitled to use the leave for family reasons scheme for the duration of the quarantine or isolation period decreed or recommended by the competent authority<br>► The amount of leave for family reasons depends on the child's age | Who is concerned:<br>► An employee (on a fixed-term contract, permanent contract or trial period); or<br>► a self-employed and non-salaried worker; or<br>► an apprentice; and who<br>► is registered with social security in Luxembourg; and<br>► has a dependent child up to the age of 18; and<br>► has to look after this child because of a quarantine or isolation measure decided or recommended by the Health Directorate or the competent authority (mainly for children attending school abroad) | Live |

# COVID-19 Response: Luxembourg

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Grants** | | |
| **Aid scheme for Luxembourg companies**<br>► State subsidy to be provided in the form of repayable capital grant(s) (in one or more installments, to be granted before 1 October 2020) of up to €800,000 per company<br>► Eligible costs consist of (i) workforce costs and (ii) rental costs corresponding to a specific period impacted by the COVID-19 crisis, currently determined as being from 15 March 2020 until 15 September 2020<br>► The subsidy can be combined with other State aid schemes, provided that maximum aggregate funds that can be received under all schemes with respect to eligible costs are capped at the most favourable cap applicable to any specific schemes to which the company is participating<br>► Repayment of the subsidy by the company will begin, at the earliest, 12 months after the date of the first installment of such state subsidy | ► Luxembourg companies holding a business licence and self-employed individuals, excluding the fishing sector, agricultural production sector and certain agricultural product transformation companies<br>► Companies belonging to the same group will be considered as a single company for the purposes of this aid scheme<br>► Conditions: (i) a COVID-19 economic crisis has been recognised for a specific period by the government; (ii) the company is facing economic hardship; (iii) the company was economically active before the COVID-19 economic crisis and (iv) there is a causal link between the economic hardship and the COVID-19 crisis | Filing for applications currently opened until 1 December 2020 |

# COVID-19 Response: Luxembourg

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Extended deadlines / increased tolerance announced by CSSF / ESMA for supervised entities** | As applicable: | |
| ▸ Extended deadline to file the CSSF 2019 survey related to steps taken against money laundering and terrorist financing until 10 April 2020 | ▸ Entities required to file the AML/CFT survey, and specialised professionals of the financial sector incorporated under Luxembourg law | Live |
| ▸ Increased tolerance regarding the call taping obligation under MiFID II | ▸ MiFID II entities | |
| ▸ Increased tolerance regarding swing pricing/dilution levy factors to be applied beyond the maximum percentage set forth in fund incorporation documents | ▸ UCITS, UCI Part II & SIFs | |
| ▸ Long form reports may exceptionally be remitted up to four months after the annual general meeting of the audited entity | ▸ Supervised entities | |
| ▸ Supervised entities to contact the CSSF if experiencing difficulties to prepare/validate their CSSF regulatory reporting | ▸ Supervised entities | |
| ▸ CSSF will not take any administrative measures or sanctions in relation to issuers' failure to comply with the upcoming deadlines for the publication of periodic information required by Articles 3, 4 and 5 of the Law of 11 January 2008 on transparency requirements for issuers. Issuers may make use of additional two months, if they feel it appropriate to do so, to publish the above mentioned upcoming periodic information | ▸ Issuers for which Luxembourg is the home Member State pursuant to the Transparency Law for reporting periods ending on 31 December 2019 or after that date but before 1 April 2020 | SFTs concluded between 13 April 2020 and 13 July 2020 |
| ▸ CSSF will not prioritise its supervisory actions in respect of reporting obligations pursuant to SFTR or MiFIR with respect to (i) SFTs concluded between 13 April 2020 and 13 July 2020 and (ii) SFTs subject to backloading under SFTR | ▸ All entities subject to the supervision of the CSSF and all non-financial counterparties to securities financing transactions as defined in Article 3 of Regulation (EU) 2015/2365 (SFTR) | |
| **Deadlines for the prudential reporting tables to be submitted by specialised PFSs:** | Specialized professional of the financial sector (specialized PFSs) | From 26 March 2020 |
| ▸ Delays for the submission of the monthly/quarterly prudential reporting tables to be submitted by specialised PFSs may, where necessary, be exceptionally granted, upon motivated request, to be sent by email to the usual contact person at the CSSF | | |
| ▸ The same applies for the documents relating to the accounting closing date to be submitted to the CSSF in accordance with Circular CSSF 12/544 within seven months after the end of the financial year, as well as the management letter of the *réviseur d'entreprises* (statutory auditor) to be submitted one month after the general meeting | | From 30 March 2020 |

# COVID-19 Response: Luxembourg

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Deadlines for the reports to be submitted by the banks**<br>► Delays for the submission of the documents listed below may, where necessary, be exceptionally granted, upon motivated request, to be sent by email to the usual contact person at the CSSF:<br>► ICAAP/ILAAP reports to be submitted on 31 March;<br>► reports of the internal control functions to be submitted on 31 March;<br>► IT risk questionnaires sent to certain banks and to be submitted on 31 March;<br>► the annual self-assessment questionnaire on requirements for UCI depositary banks to be submitted by 10 April;<br>► reports of the *réviseurs d'entreprise*s (statutory auditors) regarding branches of banks having their registered office in the European Union to be submitted on 30 June;<br>► reports of the *réviseurs d'entreprises* (statutory auditors) regarding branches of banks having their registered office outside the European Union to be submitted on 30 June; and<br>► recovery plans for which the submission dates are set individually in feedback letters | Credit institutions | From 26 March 2020 |
| **Extension of deadlines for the reports to be submitted by payment institutions and electronic money institutions**<br>► Deadlines for the submission of the following documents may be exceptionally extended, upon reasoned request to be sent by email to the usual contact person at the CSSF:<br>– reports of the internal control functions to be submitted on 31 March;<br>– reports of the management on the state of the internal control to be submitted on 31 March;<br>– reports on the assessment of major operational and security risks to be submitted on 31 March; and<br>– fraud data reporting for the year 2019 to be submitted on 30 April | Payment institutions and electronic money institutions | From 30 March 2020 |

# COVID-19 Response:  Luxembourg

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Extension of deadlines for the reports to be submitted by the investment firms**<br><br>Deadlines for the submission of the following documents may be exceptionally extended, upon reasoned request to be sent by email to the usual contact:<br><br>► the audit report and the audited annual accounts to be submitted one month after the ordinary general meeting;<br>► the minutes and the attendance list of the ordinary general meeting to be submitted one month after the ordinary general meeting;<br>► the management report to be submitted one month after the ordinary general meeting;<br>► the statement of compliance with Circular CSSF 12/552 to be submitted one month after the ordinary general meeting;<br>► reports of the internal control functions to be submitted one month after the ordinary general meeting;<br>► the ICAAP report to be submitted one month after the ordinary general meeting;<br>► the compliance report on the assessment of knowledge and competence in accordance with the ESMA guidelines to be submitted one month after the ordinary general meeting;<br>► The annual reports or the audited financial statements of the direct and indirect shareholders to be submitted one month after the ordinary general meeting;<br>► annual reports on the activities and business volumes of the representative offices to be submitted one month after the ordinary general meeting;<br>► the report of the réviseur d’entreprises (statutory auditor) on compliance with the professional obligations as regards the fight against money laundering and terrorist financing (concerns only Luxembourg branches of investment firms having their registered office in or outside the European Union) to be submitted six months after the closing date;<br>► the report of the réviseur d’entreprises on the conduct of business under MiFID II (concerns only Luxembourg branches of investment firms having their registered office in or outside the European Union) to be submitted six months after the closing date; and<br>► the recovery plans for which the submission dates are set individually in feedback letters | Investment firms | From 30 March 2020 |

# COVID-19 Response: Luxembourg

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **CSSF Weekly Reporting**<br>► Investment fund managers are asked by the CSSF to provide weekly updates on financial data (total net assets, subscriptions and redemptions) and on governance arrangements<br>► Luxembourg investment fund managers have to report on all of the funds it manages (Lux and non-Lux) and non-Lux investment fund managers (EU or third country) have to report on all of its Luxembourg funds<br>► Questionnaire to be filled out and submitted on eDesk | Investment fund managers established in Luxembourg or in other European/non-European countries and managing at least one UCITS, AIF and/or any other UCI (not qualifying as AIF) | First filing to be performed on 22 April 2020, then every Wednesday COB at the latest |
| **Banks' distribution policies aimed at remunerating shareholders and other variable remuneration**<br>► The management bodies of all Luxembourg credit institutions must refrain from taking decisions on distributions (including, amongst others, paying out or irrevocably committing to pay out dividends, buying-back shares) or paying or committing to pay out variable remuneration for the performance years 2019 and 2020 that would constrain their bank's capacity to meet the COVID-19 induced needs for liquidity and credit of its customers in the markets they serve and/or would have the effect of reducing the quantity or quality of the bank's own funds or reducing their loss absorbing capacity for the duration of the COVID-19 related crisis<br>► Banks that encounter difficulties to comply must without delay explain the underlying reasons to the competent authority | Credit institutions that are not Significant Institutions under the Single Supervisory Mechanism (SSM) | Until 1 January 2021 |

# COVID-19 Response: Luxembourg

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Application of the prudential framework regarding Default, Forbearance and IFRS9.** The CSSF refers to the EBA statement dated 25 April 2020 which:<br>▶ clarifies how public and private moratoria should be taken into account by banks when assessing whether an exposure is in default or forborne and when performing the assessment of significant increase in credit risk under IFRS9;<br>▶ emphasizes that moratoria will not trigger an automatic classification in default or forborne status | ▶ Credit institutions;<br>▶ Payment institutions;<br>▶ Electronic money institutions; and<br>▶ Specialised professionals of the financial sector | From 14 April 2020 |
| **Consumer and payment issues**<br>The CSSF refers to the EBA statement dated 25 March 2020 which:<br>▶ emphasises that even more in times of crisis consumer protection remains a priority and therefore calls on all lenders to act in the interest of consumers;<br>▶ highlights the importance of orderly payment services during this period and calls on payment service providers (PSPs) to facilitate consumers' ability to make payments without the need for physical contact; and<br>▶ indicates that, to support issuing and acquiring PSPs' efforts to focus on their customers, their obligation to report to national competent authorities by 31 March 2020 on their readiness to meet the strong customer authentication requirements for e-commerce card-based transactions is removed | ▶ Credit institutions;<br>▶ Payment institutions;<br>▶ Electronic money institutions; and<br>▶ Specialised professionals of the financial sector | From 14 April 2020 |
| **Financial crime and AML/CFT implications during the COVID-19 pandemic**<br>CSSF circular 20/740's purpose is to provide guidance in relation to the money laundering/ terrorism financing (ML/TF) risks and AML/CFT implications of the COVID-19 pandemic. It includes the four following items:<br>▶ new and emerging ML/TF threats resulting from COVID-19 (cybercrime, fraud…);<br>▶ financial sector vulnerabilities (online payment services, mortgages…);<br>▶ mitigating actions (business continuity and governance, transaction monitoring, ML/TF risk assessment); and<br>▶ CSSF's approach to AML/CFT supervision during this period (AML/CFT on site inspections…) | All professionals subject under AML/CFT supervision of the CSSF (regulated entities such as credit institutions, professionals of the financial sector, insurance undertakings, lawyers, accountants…) | From 10 April 2020 |

# COVID-19 Response: Luxembourg

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Application of European Central Bank (ECB) measures to alleviate the impacts of COVID-19 on Significant Institutions (Sis) and on Less Significant Institutions (LSIs)**<br>► LSIs will be able to benefit from identical measures to those decided by the ECB Banking Supervision for Sis<br>► For example, LSIs will be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, for example Tier 1 or Tier 2 instruments, to meet the Pillar 2 requirements (P2R). As a general rule, to fulfill P2R, LSIs must have a minimum of 56.25% CET1 and a minimum of 75% Tier 1 capital<br>► In contrast to the ECB's decision on relief measures regarding the operational aspects of supervision, such as existing deadlines for remedial actions imposed in the context of on-site inspections, an extension of a deadline will only be granted to LSIs upon submission of a reasoned COVID-19 related request<br>► Branches of Luxembourg credit institutions having their head office in a third country may benefit, where applicable, under the same conditions, from the flexibility measures offered to LSIs<br>► LSIs and third country branches that intend to make use of these measures should inform the CSSF via their usual point of contact | ► Credit institutions | From 20 April 2020 |

**Note:**

- This document only summarizes key measures implemented to benefit businesses operating in Luxembourg.
- The measures described above were in place as of **28 October 2020**. Updates and additional government measures are expected.

# Netherlands

# COVID-19 Response: Netherlands

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **BMKB *(Borgstelling MKB-kredieten*) credit guarantee programme for SMEs**<br>► Existing scheme extended whereby the Dutch government can guarantee up to 75% of company credit amounts<br>► The scheme will also be applicable to bridging loans and overdrafts and extended for a further two years | ► Dutch SMEs being companies that meet the following criteria: (a) a maximum of 250 employees; and (b) an annual turnover of a maximum of €50 million or a balance sheet total of a maximum of €43 million | 7 April |
| **GO-C programme *(Garantie Ondernemingsfinanciering Corona)* for larger companies**<br>► Financiers accredited for Go-C with *Rijksdienst voor Ondernemend Nederland* can apply for a state guarantee when providing financing to large companies for amounts between €1.5 million and €150 million<br>► The state guarantee applies for up to 80% of the financing for large companies and up to 90% of the financing for SMEs, provided they are affected by COVID-19. This translates into a guarantee of up to €120/130 million<br>► Available for various types of debt including term loans (up to eight years) and guarantee facilities | ► Companies must have substantial business activities in the Netherlands<br>► Generally only applies to new loans (including certain refinancings) used to finance the borrower's own business<br>► Certain industries are excluded: (i) real estate other than development financing, (ii) the financial sector (where the borrower is in the banking, insurance or investment sector or private equity) other than with respect to intermediary and operational lease activities and (iii) healthcare insofar as the company is a healthcare provider that provides services as described in the Healthcare Insurance Act (Zorgverzekeringswet) and the AWBZ<br>► GO-C cannot be provided to an "undertaking in difficulty" on 31 December 2019 in accordance with the EC definition<br>► Companies must not have made extraordinary capital contributions (e.g., dividends) in the 12 month period prior to the date of application or granting of credit lines | 28 April 2020 to 31 December 2020 (applications should be submitted prior to 15 December 2020) |

# COVID-19 Response: Netherlands

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **Corona-reserve**<br>► Companies may form a so-called fiscal corona-reserve in their Dutch corporate income tax return for 2019 with respect to losses they expect to incur in 2020 in relation to COVID-19. As a result, such companies' 2019 taxable profit will be reduced by this reserve, resulting in a lower amount of corporate income tax due for 2019. By requesting a revised 2019 preliminary corporate income tax assessment, including such corona-reserve, taxpayers can, if applicable, obtain a tax refund for FY 2019. Note that the allocation to the corona-reserve may not be higher than (i) the FY 2019 taxable profit prior to forming the corona-reserve, and (ii) the expected loss relating to COVID-19 in 2020. The corona-reserve will be released in the 2020 Dutch corporate income tax return | ► Companies subject to Dutch taxation with taxable profits in FY 2019 and expected losses in FY 2020 due to COVID-19 | Live |
| **Deferral of tax payments in case of acute payment problems, no payment default fines in certain cases and reduction of recovery and tax interest. The measures include:**<br>► Upon request, the tax authorities will allow an unconditional three-month deferral of payment obligations for corporate income tax, personal income tax, wage tax and value added tax in case of payment problems as a result of the COVID-19 crisis. Further extensions are possible subject to certain conditions. In case of such deferral, it will apply for all these taxes. Taxpayers can request such deferral of payment obligations until 1 October 2020. If a deferral of tax payments was granted to a taxpayer before 1 October 2020, such taxpayer can apply for an additional deferral until 31 December 2020. As of 1 July 2021, taxpayers will have to remit the taxes for which they have been granted a deferral in respect thereof. The tax debts should in any event be fully remitted to the tax authorities by 1 July 2024<br>► Administrative penalties for the late payment of tax will be waived (applicable until 1 January 2021). No objection or formal action by the taxpayer is required<br>► Tax interest (belastingrente) is temporarily reduced from 8% (corporate income tax) and 4% (other taxes) to 0.01%. This reduction applied until 1 October 2020. From 1 October 2020 up to 31 December 2021, tax interest will be set at 4% (all taxes)<br>► Recovery interest (invorderingsrente) is temporarily reduced from 4% to 0.01%. The Dutch government announced that this measure will apply until 31 December 2021<br>► Taxpayers that expect a lower taxable profit for 2020 due to the COVID-19 impact can request a reduction in the 2020 preliminary corporate income tax assessment. The tax authorities will in principle grant such request | ► Companies subject to Dutch taxation | Live |

# COVID-19 Response: Netherlands

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **General**<br>► The Emergency Bridge Fund for Employment ("NOW") helps employers with the payment for wage costs if there is a sudden drop in turnover. NOW 3.0 builds on the NOW 1.0 and NOW 2.0 with several elements having been added or modified<br>► New applications can no longer be made for the NOW 1.0 and NOW 2.0. Employers can submit an application for the determination of the final aid for the NOW 1.0 via the UWV website<br>► From 1 October 2020, the NOW 3.0 provides for a subsidy scheme with three tranches (tranches 3, 4 and 5) of three months each. In these three tranches, aid will be gradually phased out. For each tranche, an employer may decide whether or not to apply. Even if an employer has not made use of the previous NOW schemes, an application can be made for (one or more tranches of) the NOW 3.0<br>► In order to qualify for the NOW 3.0, there must be a loss of turnover of at least 20% (tranche 3) and 30% respectively (tranche 4 and 5). The aid is determined by the percentage of loss of turnover of the employer or, where applicable, the group. The maximum compensation percentage differs per tranche (up to a maximum of 80% of the wage costs (capped) in tranche 3, up to a maximum of 70% of the wage costs (capped) in tranche 4 and up to a maximum of 60% of the wage costs (capped) in tranche 5). Employers must continue to pay the relevant employees' salaries during the period they receive such aid<br>(continued on next page) | **Loss of turnover of at least 20% and 30% respectively**<br>► For the NOW 3.0, the loss of turnover is determined by comparing one fourth of the turnover of 2019 (the reference period) with the turnover of a three-month period that is – in principle – to be chosen by the employer (the turnover period). This turnover period is different for each tranche<br>► Tranche 3: turnover period must fall within the period 1 October 2020 to 28 February 2021<br>► Tranche 4: turnover period must fall within the period 1 January 2021 to 31 May 2021<br>► Tranche 5: turnover period must fall within the period 1 April 2021 to 31 August 2021<br>► **Loss of turnover of group companies:** If the legal entity or company is part of a group, the loss of turnover of the group – as the group was composed on 1 October 2020 – is taken into account. As with the NOW 1.0 and the NOW 2.0, also for the purposes of the NOW 3.0, each parent-subsidiary-relationship is qualified as, and included in, the group concept<br>► **The group exception (Article 6 NOW 3.0)**: If the loss of turnover of the group as a whole is less than 20% (for tranche 3) or 30% (for tranches 4 and 5) but is at least 20% (for tranche 3) or 30% (for tranches 4 and 5) respectively at the level of the operating company or at the level of part of the group, then aid can be applied for at that sub-group level (Article 6 NOW 3.0). Such application is subject to additional conditions and specific rules apply for the calculation of turnover at the level of an operating company or of part of the group | Application for tranche 3 can be filed from 16 November 2020 to 13 December 2020 inclusive<br>Application for tranche 4 can be filed from 15 February 2021 to 14 March 2021 inclusive<br>Application for tranche 5 can be filed from 17 May 2021 to 13 June 2021 inclusive |

# COVID-19 Response: Netherlands

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **General (continued)**<br>► For all tranches, the aid is determined by the percentage of loss of turnover. For example in tranche 3:<br>► 100% loss of turnover: aid equivalent to 80% of the overall wage bill;<br>► 50% loss of turnover: aid equivalent to 40% of the overall wage bill;<br>► 20% loss of turnover: aid equivalent to 16% of the overall wage bill; and<br>► < 20% loss of turnover: no employment aid is available<br>► The employer to whom the aid is granted must fulfill several obligations<br>► If the request is granted, the UWV will pay an advance of 80% of the aid as calculated on the information supplied with the request regarding the anticipated loss of turnover. The advance will be paid in no more than three instalments. In practice, the aim is to pay the first instalment within two to four weeks of receipt of the complete application. The advance received may have to be repaid fully or in part if no entitlement existed, or if too much aid was received, or if the obligations of the employer are not fulfilled (see below) | | Application for tranche 3 can be filed from 16 November 2020 to 13 December 2020 inclusive<br><br>Application for tranche 4 can be filed from 15 February 2021 to 14 March 2021 inclusive<br><br>Application for tranche 5 can be filed from 17 May 2021 to 13 June 2021 inclusive |

# COVID-19 Response: Netherlands

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Wage costs**<br>► Employers may request aid to compensate the wage costs for those workers (i) that are employed by the employer and (ii) that are compulsory insured under worker insurance policies (insured wages for national insurance contributions purposes, or SV wages). The aid is calculated, in principle, on the basis of the SV wages paid to workers employed in the month of June 2020. The wage bill is the aggregated wages paid to all workers under the relevant employer's withholding tax number (loonheffingennummer). Any holiday allowance paid by the employer is not included in the wage bill. In addition, any 'extra period of salary' paid by the employer that is not dependent on company results or the employee's qualitative or quantitative performance is also not included in the wage bill (i.e., payments as a result of an agreement in the individual employee's employment contract or collective bargaining agreement)<br>► The wage of each individual employee in respect of whom aid may be requested is also capped in the NOW 3.0. In tranche 3 and 4 the cap is twice the maximum daily wage per month and in tranche 5 the cap is once the maximum daily wage per month. This means that in tranches 3 and 4 no aid is given in respect of gross monthly wages in excess of €9,691 and in tranche 5 no aid is given in respect of gross monthly wages in excess of €4,845 (which amounts will be indexed as of 1 January 2021)<br>► Additional charges and costs, such as employer's and employee's contributions to pension schemes and the accrual of holiday allowance will also be compensated; it has been decided to set the employer's charges at a fixed percentage of 40% for all instances. In other words, the overall wage bill on which the aid is calculated will be equal to four times the SV wages in June 2020 + 40%<br>(continued on next page) | **Employer must fulfill several obligations:**<br>► the employer may only use the aid to pay its wage costs;<br>► the employer must inform the Works Council or PVT, or if none exists, the employees directly, about the aid;<br>► the employer is obliged to make efforts to encourage employees to participate in development or training courses;<br>► the employer is obliged to make efforts to contribute to the guidance to other work for employees whose employment contract ends or whose employment contract is not continued. This general effort obligation applies to all employees whose employment contract may end, regardless of the reason, except in the case of retirement of employees;<br>► if the employer, during the subsidy period of a tranche for which it has applied for aid, requests permission to terminate the employment contract of one or more employees for business economic reasons, it will be obliged to contact the UWV during that subsidy period for support in finding alternative employment;<br>► the employer must keep verifiable records to ensure that all information relevant for calculating the aid may be inspected and must allow inspection of these records upon request for up to five years after the date on which aid was granted;<br>(continued on next page) | Application for tranche 3 can be filed from 16 November 2020 to 13 December 2020 inclusive<br>Application for tranche 4 can be filed from 15 February 2021 to 14 March 2021 inclusive<br>Application for tranche 5 can be filed from 17 May 2021 to 13 June 2021 inclusive |

# COVID-19 Response: Netherlands

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Wage costs (continued)**<br>► If the actual wage sum is lower during the subsidy period, for example because employees are no longer employed or because of a wage offer, this can have consequences for the amount of aid. Unlike under the NOW 1.0 and NOW 2.0, a reduction in the wage bill in the subsidy period does not directly affect the aid. A certain percentage of reduction, depending on the tranche, is exempt from consequences<br>- **Tranche 3**: 10% exemption percentage<br>- **Tranche 4**: 15% exemption percentage<br>- **Tranche 5**: 20% exemption percentage<br>► If the wage bill is reduced more than permitted, this has consequences for the amount of aid; for every euro that the wage bill was reduced too much, the employer will receive 80, 70 or 60 cents respectively less aid, depending on the tranche<br>**Duration of the aid**<br>**Tranche 3**: 1 October 2020 to 31 December 2020<br>**Tranche 4**: 1 January 2021 to 31 March 2021<br>**Tranche 5**: 1 April 2021 to 30 June 2021 | **Employer must fulfill several obligations (Continued):**<br>► the employer must submit its payroll tax forms on prescribed dates;<br>► the employer must notify the Minister immediately in writing of any circumstances that may give reason to revise, withdraw, or amend the aid;<br>► after the period during which aid was received the employer must submit a final statement of the loss of turnover; and<br>► the employer must cooperate with any audit carried out by or on behalf of the Minister during a period of five years after the date on which aid was granted, for instance by providing all necessary information, data and records and documents, aimed at providing the Minister with information that may be important for taking the decision on whether or not to grant aid, determining whether it was justified, or for the development of the policy adopted by the Minister<br>**Two additional employer obligations:**<br>► An auditor's report is required for companies that receive an advance payment of €100,000 or more or final aid of €125,000 or more. Companies applying for aid at operating company level based on Article 6 NOW 3.0 must always submit an auditor's report<br>► Article 14(1) NOW 3.0 stipulates that the entity applying for aid and which is required by Article 13 NOW 3.0 to provide an auditor's report, may not pay any dividend to shareholders in 2020 (for tranche 3) or 2021 (for tranches 4 and 5). In addition, the entity applying for aid and its top holding company may not pay bonuses to their directors. Further, these entities may not repurchase their own shares. For companies applying for aid at operating company level based on Article 6 NOW 3.0, the obligation to not pay out bonuses/dividend applies irrespective of the amount of the advance payment or the amount of the final aid<br>(continued on next page) | Application for tranche 3 can be filed from 16 November 2020 to 13 December 2020 inclusive<br>Application for tranche 4 can be filed from 15 February 2021 to 14 March 2021 inclusive<br>Application for tranche 5 can be filed from 17 May 2021 to 13 June 2021 inclusive |

# COVID-19 Response: Netherlands

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| (continued from previous page) | **Additional obligations** (in addition to the employer obligations described above) **if NOW 3.0 is requested at the level of the operating company or part of the group (Article 6 NOW 3.0):**<br>► the operating company may not be a personnel company (i.e., a company which mainly seconds employees to other group companies);<br>► the operating company (employer) must act in accordance with a dated job retention agreement, concluded prior to the application for the determination of the final aid with the trade unions concerned or, in the absence thereof, a representative of employees, such as the Works Council, Employee representative body (PVT) or staff meeting. In the case of an operating company with less than 20 employees, the agreement of an employee representative body, such as the Works Council, PVT or staff meeting, will suffice;<br>► orders or projects of the operating company may not be transferred to other entities within the group;<br>► in the turnover period the group's loss of turnover must be less than 20% in the third tranche and less than 30% in the fourth and fifth tranche; and<br>► prior to the application for the determination of the final aid, the operating company or part of the group must have a written declaration from its top holding company confirming that the obligation to not pay dividends and/or bonuses has been complied with | Application for tranche 3 can be filed from 16 November 2020 to 13 December 2020 inclusive<br>Application for tranche 4 can be filed from 15 February 2021 to 14 March 2021 inclusive<br>Application for tranche 5 can be filed from 17 May 2021 to 13 June 2021 inclusive |

# COVID-19 Response: Netherlands

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Dismissal:** The NOW 3.0 offers employers room for restructuring. An employer who submits a request for dismissal to the UWV for business economic reasons for one or more employees during the aid period will, in principle, no longer be subject to financial cutbacks. However, this employer is now obliged to contact the UWV during the subsidy period for the support of guidance to other work. When determining the final aid, the UWV checks whether the employer submitted an application for dismissal for business economic reasons during the period of aid and whether the employer contacted the UWV. If it is established that the employer has not fulfilled this obligation, the total subsidy amount will (still) be reduced by 5% | ► See above | Application for **tranche 3** can be filed from 16 November 2020 to 13 December 2020 inclusive<br>Application for **tranche 4** can be filed from 15 February 2021 to 14 March 2021 inclusive<br>Application for **tranche 5** can be filed from 17 May 2021 to 13 June 2021 inclusive |
| **Final application:** Within 24 weeks from 1 September 2021, the employer must apply for the final aid for the tranches for which he has been granted aid by means of a form made available on the UWV website. For employers who are required to provide an auditor's report, the 24 week period is extended to 38 weeks. When applying for the determination of the final aid, the employer must also provide certain information including the definitive data on the loss of turnover, a report from the auditor or third party (if required) and a declaration that a number of the obligations laid down in Article 12 and 14 NOW 3.0 have been met. Additional requirements apply to companies applying for aid at operating company level on the basis of Article 6 NOW 3.0 | ► See above | |
| **Current developments**: Now that the number of COVID-19 infections in the Netherlands is rising sharply, the government may be forced to introduce more restrictive measures and therefore it may be that the emergency package will be supplemented or changed later. Relevant update to be provided in due course | | |

# COVID-19 Response: Netherlands (Continued)

**Other**

- In addition, the European Central Bank (ECB) and De Nederlandsche Bank (DNB) have taken measures that could result in increased bank borrowings
  - The DNB has lowered the buffer requirements for Dutch banks (see below)
  - The ECB is contributing an additional €750 billion (quantitative easing) into the European economy
- By temporarily imposing less stringent requirements on banks' capital buffers, banks are asked to provide loans to companies in the Netherlands, even if this would result in increasing losses for banks. Due to the intervention of the DNB, €8 billion in capital has been released, which means that up to €200 billion in extra credit could become available
- Legislation in place to temporarily facilitate virtual AGMs for Dutch listed companies (extended until 1 December 2020, although further extensions may be made)

**Note:**

- This document only summarizes key measures implemented to benefit businesses operating in Netherlands.
- The measures described above were in place as of **28 October 2020.** Updates and additional government measures are expected.

# Norway

# COVID-19 Response: Norway

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **State guarantee**<br>► The Norwegian government has stepped in to guarantee bank loans to Norwegian companies that incur losses related to COVID-19. The scheme is designed so that the Norwegian government will guarantee up to 90% of the principal amount of any loan funding received if the applicant company fulfils the terms of the loan scheme<br>► Larger companies can borrow up to NOK 150 million (c. €13.7m) under the scheme, while the maximum loan amount for Norwegian SMEs (a company with less than 250 employees and with an annual turnover that does not exceed €50 million or a total balance sheet not exceeding €43 million) is NOK 50 million (c. €4.5m) | ► All companies with a business activity in Norway, who are taxable in Norway and who are registered in the Norwegian Register of Business Enterprises. (NB: maximum amounts that can be borrowed by Norwegian SMEs) | 27 March for SMEs and 2 April for larger companies |
| **Government bond fund**<br>► The Norwegian government has reinstated the Government Bond Fund. The purposes of this fund is to enhance liquidity and access to capital in the Norwegian bond market. The fund will provide up to NOK 50 billion (c. €4.5 billion), to be invested in bonds issued by Norwegian issuers. The scheme will be administered by *Folketrygdfondet*, which is the Norwegian state's asset manager of Pension Fund Norway (the petroleum fund), and will resemble the fund that was put in place following the 2008 financial crisis | ► All Norwegian companies with a credit rating greater than CCC+ | 27 March |
| **Extraordinary loans**<br>► Additional extraordinary loans (F-loans) to be granted by the Central Bank of Norway to other commercial Norwegian banks with a maximum maturity date of 12 months | ► Norwegian commercial banks | 20 March |
| **Adjustments to the regulation of innovation and development loans**<br>► Innovation Norway, the Norwegian government's instrument for enhancing innovation and development of Norwegian enterprises and industry, has received additional funding of total NOK 4.5 billion (c. €405 million) in order to grant extraordinary innovation and commercialization loans to assist SMEs in developing new projects. Innovation Norway has also adjusted the terms of the loans that it grants by reducing interest rates, modifying normal requirements to guarantees for loans and agreeing to deferred payments. When providing loans to start-up businesses, Innovation Norway is now permitted to increase loan funding from 50% to 75% of the total project costs | ► Norwegian SMEs (see definition above) and smaller start-up businesses in Norway. Grants and loans are approved based on an assessment of the project being undertaken by the borrower business | Live |

# COVID-19 Response: Norway

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Aviation guarantee scheme**<br>► The Norwegian government has implemented an aviation guarantee scheme totalling NOK 6 billion (c. €540 million) with a 90% government guarantee on each loan | ► Norwegian Air Shuttle (NOK 3 billion – c. €270 million), Norway SAS (NOK 1.5 billion – c. €135 million), Widerøe and other Norwegian airlines (NOK 1.5 billion – c. €135 million) | 31 March |
| **Tax** | | |
| **Postponement of wealth tax**<br>► Lossmaking companies can postpone payments of wealth tax for one financial year | ► All companies in Norway that post losses for their 2020 financial year | 12 May |
| **Tax loss set-off**<br>► Companies will be able to set-off tax losses in 2020 against taxed profits generated in the preceding two years, up to a maximum of NOK 30 million (c. €2.7 million) of such profits. The tax value of losses generated in 2020 will be paid out to companies at the time of tax settlement in 2021 | ► All companies required to pay the relevant taxes | 27 March |

# COVID-19 Response: Norway

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Statutory leave**<br>► The number of statutory paid days an employee will receive from their employer if they are temporarily laid off is reduced from 10 days to two days (with the Norwegian government funding the days no longer provided by the employer) | ► All companies requiring their employees to go on temporary leave | 20 March |
| **Statutory sick pay**<br>► The number of statutory paid days an employee will receive from their employer for sick leave will reduce to three days (with the Norwegian government funding the days no longer provided by the employer). Furthermore, from 17 April 2020, employees who do not follow the government's travel advice, and therefore must be placed in quarantine upon re-entry into Norway, may be denied sickness benefit | ► All companies with employees that need to take sick leave | 16 March |
| **Option to temporarily lay-off workers**<br>► The number of weeks employees can be temporarily laid off is increased from 26 to 52 weeks (the employer will be exempted from the obligation to pay salary for the same period) | ► All companies requiring to lay-off their employees for a temporary period of time | 1 November |

# COVID-19 Response: Norway

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Financial restructuring legislation**<br>► The Norwegian government has enacted financial restructuring legislation (to be in force until 1 January 2022 (and which may be extended)) which sets out new rules on debt repayment negotiations and details of the extended scope of restructuring agreements that can be reached between debtors and creditors to avoid greater instances of bankruptcy. Details are being finalised and will be published in the coming weeks | ► All Norwegian companies | 11 May 2020 |

**Note:**

- This document only summarizes key measures implemented to benefit businesses operating in Norway
- The measures described above were in place as of **30 October 2020**. Updates and additional government measures are expected

# Poland

# COVID-19 Response: Poland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
| --- | --- | --- |
| **Finance / Loan Schemes** | | |
| **Additional financing**<br>▶ Additional equity or bond financing from the Polish Development Fund for Polish companies (directly or through the commercial banks in case of SMEs) – maximum financing for liquidity purposes for large entities may not exceed PLN 1 billion (c. €216 million). The maximum term of the financing is three years. A portion of the amount owed under the financing (up to to 75% for SMEs) may be waived by the Polish Development Fund), depending on the maintenance of the level of employment and the level of financial loss suffered by the given entity. Additionally, large entities may be financed by the Polish Development Fund through equity instruments (e.g., in exchange for shares)<br>▶ National Economy Bank of Poland (BGK) to pay subsidies for (a) up to 2% of the interest on bank loans for micro- and SMEs, and (b) up to 1% of the interest on bank loans for large entities; this program offers support up to an aggregate amount of PLN 500 million (c. €108.2 million)<br>▶ Financing from the Industrial Development Agency (IDA) for Polish SMEs will be in the form of revolving loans for financial remuneration and working capital shortages, and for transport companies, refinancing of existing operating lease agreements<br>▶ Additional support from the IDA for businesses in Poland whose financial difficulties (e.g., decreased turnover) are caused by the prohibitions and restrictions imposed in connection with the COVID-19 state of emergency in the form of loans, guarantees, surety or other instruments (other than those offered by banks or insurers). Details on individual business support are to be set out in an agreement concluded with the IDA<br>▶ Support from IDA under the "New Opportunities Program" (c. €27,3 million annually for the next 10 years) for entities in difficult economic situations (insolvent or threatened with insolvency). Support in the form of public aid (short term loans, temporary restructuring aid) for the rescue (available to SMEs; large entities only after notifying EC), temporary restructuring support (available to SMEs) and restructuring proceedings (available to SMEs and large entities). Additional requirements apply | ▶ Available to all Polish companies in the relevant category | 1 April 2020 (and, partially, as of 9 April 2020)<br>Program for SMEs from the Polish Development Fund ended on 14 August 2020<br>"New Opportunities Program" – from 24 September 2020 |

# COVID-19 Response: Poland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **Deferral of direct taxes and social security contributions**<br>► Ability for Polish companies to postpone social security contributions due from February to May 2020 without any penalty. Moreover, SMEs may apply for releases from their obligation to pay social contributions during that period (up to 50% release for businesses employing between 10 and 49 employees)<br>► Polish companies affected by COVID-19 crisis may defer payment of Personal Income Tax (“PIT”) for March and April 2020 till 1 June 2020 (i.e., the employer will still withhold the PIT from the employees' remuneration, but will be permitted to delay payment of that PIT to the Tax Office)<br>► All Polish companies may defer the annual CIT filing, and payment of the related tax, until 31 May 2020 (instead of 31 March 2020)<br>► Polish CIT payers with 2020 revenues lower by at least 50% as compared to the 2019 revenues may deduct such a decrease in 2020 revenues from their profit for 2019 (not more than PLN 5,000,000 (c. €1.1m)) | ► All Polish companies | 1 April 2020<br>(deferral in CIT filing available before that date) |

# COVID-19 Response: Poland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Employment subsidies – payment by the Polish government of:**<br>► Up to half of employee's wage and full social security contributions (approx. PLN 1,300 (c. €281)) in case of suspension of employment<br>► Up to 40% of an individual employee's salary where an employing company has suspended operations or reduced worktime and experienced a decrease in revenues of 25% in the last month or 15% in in any consecutive two months of 2020, comparing to the relevant period in 2019<br>► SMEs may receive additional financing for employees' salaries and social contributions if their turnover in year 2020 has decreased by at least 30% as compared to 2019 | ► Available to Polish companies provided that they do not implement any redundancies (certain limits and additional preconditions may apply) | 1 April 2020 |
| **Payments for self-employed workers**<br>► One-time guaranteed monthly benefit for self-employed persons (c. PLN 2,000 (c. €433) per month) provided that a 15% decrease in income is experienced by the individual | ► Available to Polish self-employed workers provided that they started their work prior to 1 February 2020 | 1 April 2020 |
| **Additional relief from the "Industry Shield" for selected entrepreneurs – under preparation**<br>► New program will offer support up to an aggregate amount of PLN 1.8 billion (c. €390 million) for entrepreneurs from the following industries: restaurants, entertainment, retail and health (gyms, sport centres)<br>► Support in the form of: exemption from payment of social security contributions, one-time guaranteed monthly benefit, suspension of market fee in 2021 and additional benefits for tourism industry. Details and additional requirements to be announced in due course | ► Available to Polish entrepreneurs from the following industries: restaurants, entertainment, retail and health (gyms, sport centres) | To be announced and confirmed |

# COVID-19 Response: Poland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Insolvency Filings**<br>► If the prerequisites for the declaration of bankruptcy are met in the period of the COVID-19 state of emergency, and the insolvency is caused by COVID-19, the time limits for filing an application for bankruptcy shall be tolled until after the end of the COVID-19 state of emergency | ► All companies in Poland | From 13 March 2020 |
| **Simplified restructuring proceedings**<br>► Introduction of "simplified proceedings" for entrepreneurs threatened with insolvency. The proceedings include minimum participation of the court and are based on cooperation with a restructuring advisor acting as an arrangement supervisor. The core of these proceedings is extensive protection of the debtor against enforcement proceedings (incl. claims secured in kind) for 4 months after publishing an announcement in the Court and Economic Journal. Within these 4 months the filing entrepreneur has to enter into an arrangement with creditors and file it with the court for approval | ► All companies in Poland | From 24 July 2020 |
| **Foreign Direct Investment screening**<br>► New FDI rules applicable for 2 years (i.e., until 24 July 2022) to protect key (broadly defined) industries for maintaining safety, order, and public health, which have revenues exceeding the equivalent of €10 million in any of the two financial years preceding the interested take over<br>► Pre-completion obligation to notify of the intention to acquire control (direct or indirect) or an acquisition of a significant participation, including a share of at least 20% in protected entities, to the President for the Office for Competition and Consumer Protection | ► Entities from, or controlled by entities from, outside of EU / EEA / OECD | From 24 July 2020 |
| **Insurance coverage for projects relating to exports of capital goods**<br>► KUKE (a Polish company specialising in export insurance backed by the Polish government) will insure 100% of the commercial and political risks for exporting Polish companies (and the financing of export transactions) created by COVID-19 | ► All export projects undertaken by Polish companies with a credit repayment period of two years or more | 19 March |

**Note:** The measures described above were in place as of **26 October 2020**. Updates and additional government measures are expected.

# Portugal

# COVID-19 Response: Portugal

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Credit Line "*Capitalizar 2018 – COVID-19"*** *(credit line already cancelled)*<br>► Up to €400,000,000.00 to be made available preferentially to SMEs (although other companies may also qualify)<br>► Maximum amount per company: €3,000,000.00<br>► Guarantee – Mutual Guarantee Schemes: up to 80% of principal amount<br>► Term: four years for operating funds and one to three years for treasury<br>► Application with the banks | ► Positive equity<br>► Statement describing negative impacts of COVID-19 outbreak that justify the financing needs<br>► Other requirements depending on the type of company, specific credit line and purpose of the facility | From 12 March 2020 to 31 May 2020 |
| **Export Credit - Increase of credit insurance lines guaranteed by the State**<br>► In €100,000,000.00 for the metallurgy, metalworking and mould sector<br>► In €100,000,000.00 for construction abroad<br>► In €50,000,000.00 for short term export credit | | Resolution of the Council of Ministers no. 10-A/2020, of 13 March |
| **Portugal 2020 / QREN (*Quadro de Referência Estratégico Nacional*)**<br>► Extension of the term of certain repayment instalments due in respect of reimbursable subsidies granted under the QREN or Portugal 2020 programs<br>► Eligibility of the expenses with events and activities that have been cancelled or delayed<br>► Negative impact of COVID-19 causing failure to comply with actions/targets under Portugal 2020 may be deemed as force majeure | | Resolution of the Council of Ministers no. 10-A/2020, of 13 March |

# COVID-19 Response: Portugal

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Micro-Credit Line - Tourism**<br>► Up to €90,000,000.00 to be made available to micro enterprises of the touristic sector<br>► Maximum amount per company: €750,00 per employee* three months, up to the maximum amount of €20.000,00<br>► Term: three years, with a grace period of 1 year<br>► Personal guarantee of a shareholder of the company<br>► No interest<br>► Application with Turismo de Portugal, I.P. | ► Up to 10 employees<br>► Annual turnover or total annual balance sheet not exceeding €2,000,000.00<br>► Evidence of the negative impact of COVID-19 outbreak<br>► Not a company in financial difficulty<br>► Other licensing and compliance requirements | 25 March |
| **General credit line for the economy**<br>► Credit line for micro to midcap companies:<br>► Up to €6,200,000,000.00;<br>Amounts:<br>► in the catering sector - up to €600,000,000.00;<br>► in the sector of travel agencies, tourist entertainment and events organization (or similar) – up to €200,000,000.00; *(credit line already canceled)*<br>► in the sector of tourism companies - up to €900,000,000.00<br>► economic activity – up to €4,500,000,000.00 for treasury needs (*credit line already canceled)*<br>► Maximum amount per company:<br>– €50,000.00 (for micro companies);<br>– €500,000.00 (for small companies);<br>– €1,500,000.00 (for medium companies);<br>– €2,000,000.00 (for small mid cap and mid cap companies).<br>► Utilization Term: twelve months | ► Positive equity<br>► No debs to Social Security or Tax Authorities<br>► Maintenance of employees or lay-off | |

# COVID-19 Response: Portugal

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Moratorium on credit operations**<br>► Prohibition of termination (until 30 September 2021), in whole or in part, of the facilities and loans<br>► Extension (until 31 March 2021 and, as general rule, in respect of the repayment of principal, until 30 September 2021) of credits with repayment of principal at the end of the contract, together with all ancillary elements<br>► Suspension (until 31 March 2021 and, as general rule, in respect of the repayment of principal, until 30 September 2021) of payments of principal, rents and interest, in relation to credits or amounts to be repaid/paid in instalments (being the contractual payment/repayment plan automatically extended)<br>► The moratorium measures do not imply the suspension of interest payable during the extension period, which are capitalized<br>► Potential application of stamp duty (depending on a case-by-case analysis by the Tax Authorities)<br>► The profit distribution, in any form, the repayment of credits to partners and the acquisition of own shares or quotas by the beneficiaries, determines the termination of the effects of the measures | **Credit operations (with certain exceptions):**<br>► granted by credit institutions and financial companies, as well as branches of credit and financial institutions, operating in Portugal<br>► granted to micro to SMEs companies, as well as other companies, regardless of their size, excluding those of the financial sector, that: i) are headquartered and carry out their activity in Portugal; ii) are not in payment default for more than 90 days, and are not in a situation of insolvency or suspension or cessation of payments, or already in a scenario of enforcement carried out by the institutions; and iii) have no debts to Social Security or Tax Authorities | Decree-Law no. 10-J/2020, of 26 March |

# COVID-19 Response: Portugal

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **Payment in instalments**<br>Authorities are required by their initiative to allow taxpayers to pay tax debts in instalments, regardless if a request was filed and without the need to produce a guarantee. | Personal income tax debts amounting to €5,000 or lower<br>Corporate income tax debts amounting to €10,000 or lower | Live |

# COVID-19 Response: Portugal

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Extraordinary support for a progressive resumption of the activity:**<br>► The employer can apply for an extraordinary support for a progressive resumption of the activity consisting of reducing normal working times and entitling the employer to a financial support granted by Social Security:<br>– Employees are entitled 2/3 of their remuneration and Social Security supports 70% (the employer the remaining 30%)<br>– If normal working times are reduced more than 60% (see conditions on the right), Social Security pays 100%<br>– If the company's turnover decrease represents more than 75% (see conditions on the right), the employer is entitled to an additional financial support corresponding to 35% of the effective working time of each employee covered with a cap of €1,905,00 | All companies exposed to COVID-19 who found themselves in a business crisis due to:<br>► The sudden and sharp decrease of at least 25% of the turnover contrasting the previous calendar month prior with the monthly average of the two months prior to that period, or compared to the same period the previous year or, for those companies who started the activity less than 12 months ago, with the average of that period<br>► The employer can reduce normal working times as follows:<br>– Turnover decrease equal to or greater than 25%, the reduction can go up to the maximum of 33% in the months of October, November and December 2020;<br>– Turnover decrease equal to or greater than 40%, can go up to: i) 50%, in the months of August and September 2020; and ii) 40%, in the months of October, November and December 2020;<br>– Turnover decrease equal to or greater than 60%, the reduction go up to: i) 70%, in the months of August and September 2020; and ii) 60%, in the months of October, November and December 2020;<br>– Turnover decrease equal to or greater than 75%, the reduction can go up to 100% in the months of October, November and December 2020 | Decree-Law no. 46-A/2020, 30 July.<br>(Amended by Decree-La 90/2020, 19 October) |

# COVID-19 Response: Portugal

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Extraordinary training program:**<br>► Companies in a business crisis situation can implement an extraordinary training program aimed at maintaining jobs and enhancing employees' skills in order to prevent unemployment.<br>► Grant of an extraordinary financial support corresponding to €307.17 per employee covered (€175.52 for the employee and €131.64 for the employer) | The extraordinary training program shall:<br>I. Be implemented in association with IEFP, I. P., responsible for its approval, developed remotely, if possible;<br>II. Improve employees' professional skills, increasing their qualification level, and increase the company's competitiveness;<br>III. Correspond to the training schemes embedded by the National Qualifications System;<br>IV. Be implemented outside the hours of effective work, provided that within the normal working times<br>V. Ensure the attendance of at least 50 hours of training per month per employee | Decree-Law no. 46-A/2020, July 30th<br>(Amended by Decree-La 90/2020, October 19th) |
| **Social security contributions:**<br>► Employers who benefited from an extraordinary support for a progressive resumption of the activity can benefit from an exemption or partial exemption from the payment of contributions:<br>I. For the months of August and September 2020: total exemption in the case of micro, small and medium-sized companies and 50% in the case of large companies;<br>II. For the months of October, November and December 2020, partial exemption of 50% in the case of micro, small and medium-sized enterprises | **Reduction of social security contributions:**<br>The total exemption or partial exemption from the payment of contributions is officially recognized | Decree-Law no. 46-A/2020, July 30th<br>(Amended by Decree-La 90/2020, October 19th) |

# COVID-19 Response: Portugal

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| ► Employees that are under mandatory confinement due to COVID-19 (prophylactic isolation) are granted a financial support paid by Social Security corresponding to 100% of their remuneration | | Decree-Law no. 10-A/2020, of 13 March |
| ► Employees and Independent workers who must remain at home to take care of their children (under 12 years old or, regardless of age, suffering from disability or permanent disease) due to school closure or due to COVID-19 (prophylactic isolation) are granted a financial support paid by the Social Security. This financial support only applies beyond school suspension periods. The financial support corresponds to 2/3 of the remuneration for employees (paid 50% by Social Security and 50% by the employer) and 1/3 of the monthly remuneration reference for independent workers (minimum: €438.81 and maximum: €1,097.02). According to the Resolution of 27 August, the payment will cover 100% of the remuneration in the first 28 days | | Decree-Law no. 12-A/2020, of 6 April 2020<br>Decree-Law no. 20-C/2020, of 7 May |
| ► Independent workers who had to stop or reduce their services due to the COVID-19 outbreak are entitled to an extraordinary financial support paid by the Social Security corresponding to the monthly remuneration reference, up to €438.81, when the monthly remuneration is less than €658.22, and corresponding to 2/3 of the monthly remuneration reference, up to €635.00, when the remuneration is equal or more than €925.50. This financial support lasts for 1 month and can be renewed up to 6 months. According to recent information made public, this financial support is expected to be extended and the independent workers will be entitled to a support corresponding to €438.81 | | Decree-law no. 27-B/2020, of 19 June |
| ► Independent workers are granted an extraordinary financial support to a fresh start corresponding to, at least, the monthly remuneration reference and up to €219.41. This financial supports lasts for one month | | |
| ► Employers who have benefited from the extraordinary support for the maintenance of an employment contract or the extraordinary training plan are entitled to an exceptional financial assistance for company's activity normalization, corresponding to either one minimum monthly granted remuneration (€635) paid all at once, or two (€1,270) paid over six months. If the employer chooses the second method, he also benefits from the right to partially waive 50% of the employer's social security contributions with reference to the employees covered by the extraordinary training plan or the extraordinary support for maintaining an employment contract | | Law no. 27-A/2020, of July 24<br>Ordinance no. 250-B/2020, of October 23 |
| ► Employees who are not covered by any social security system can apply for a special financial support, corresponding to €438.81 from July to December 2020. It is also available to independent workers who suffered at least 40% decrease in their invoicing | | |

# COVID-19 Response: Portugal (Continued)

## Other Considerations

**Financial Sector:**

- Suspension of the enforcement of mortgages over properties that are the personal and permanent residence of the debtor
- Banco de Portugal (the Portuguese Central Bank) has announced (i) a set of measures applicable to less significant credit institutions relaxing regulatory and supervisory requirements and (ii) the relaxation of certain requirements for new personal credit agreements aiming at minimizing households' lack of liquidity
- The 30 days' deadline for a debtor to apply for a declaration of insolvency, as well as the acts to be carried out within the scope of enforcement proceedings ("*processo executivo*"), are both suspended. Nonetheless, insolvency proceedings, continue to be processed, without suspension or interruption of deadlines, acts or diligences and creditors may still request the insolvency of debtors and may exercise all actions under applicable insolvency law

**Note:** The measures described above were in place as of **26 October 2020**. Updates and additional government measures are expected.

# Romania

# COVID-19 Response: Romania

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Government Loans**<br><br>**MM Invest**<br><br>► The Romanian government has introduced a scheme to secure loans taken out by Romanian companies in respect of investments and working capital up to certain limits (see right for eligibility criteria). The interest on these loans is 100% subsidized by the government for a period of 8 months from the date of has been granted with the possibility of extension if economic growth in the subsequent year is below the level in the year ending 31 December 2020<br><br>► The Romanian government has published application information for the government loan schemes setting out: (i) specific eligibility criteria (see right); (ii) an aggregate ceiling for the guarantees granted by the state of RON 20 billion (approx. €4.1 billion); and (iii) activities which are not covered by the State aid scheme (e.g., financial intermediary, insurance, betting, tobacco manufacturing and sales, manufacturing of ammunition, weapons and explosives and investigation activities, with certain exceptions) | ► SME – loans (capped at RON 10 million (c. €2.1 million) in aggregate) guaranteed up to 80%<br><br>► Small enterprise – loans (capped at RON 1 million (c. €205,000) in aggregate) guaranteed up to 90%<br><br>► Microenterprise – loans (capped at RON 500,000 (c. €103,000) in aggregate) guaranteed up to 90%<br><br>► The above loan amounts exclude bank fees, commissions and expenses | 21 March 2020 (with amendments) |
| **IMM Factor program**<br><br>► The commercial credit guarantee scheme will be accessible until 31, December 2020, the beneficiaries of the program having the possibility to obtain factoring type financing granted from the banks enrolled in the program on the basis of commercial invoices and guaranteed by the state<br><br>► The support consists of a state aid scheme, in the form of grants, which will cover 50% of the financing costs (interest related to the amounts advanced by the financier and the factoring commission related to debt collection and administration services) and of 100% the guarantee costs (risk commission and management commission). The maximum value of grants is €800,000 / SME<br><br>► The guarantees will be granted in a maximum of 50% of the value of the factoring type financing, excluding the interests, commissions and other expenses related to the guaranteed financing with the possibility of extending the financing a maximum of 3 times, for periods of up to 12 months<br><br>► The highest value of the warranty/insurance scheme is RON 5 million (approx. €1 million), while the highest single warranty value for one factoring facility per beneficiary is RON 750,000 (approx. €154,000). The value of the financial investment, its extraction period and repayment follows the financial financer's internal policy and regulations. SMEs from all financial sectors (except for the ones declared non-eligible by GEO 146/2020) can benefit from the scheme alongside governmental benefits as long as they can respect the terms and conditions alongside the financer's internal policies | ► SME<br><br>► Small enterprise<br><br>► Microenterprise | 24 August 2020 |

# COVID-19 Response: Romania

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **IMM Leasing de echipamente și utilaje program** (Equipment and machinery lease)<br>► Per GEO no. 118/2020, the program is intended only for small and medium-sized enterprises (SMEs)<br>► Lease contracts will be guaranteed by the state, as is the case with state-guaranteed loans within the IMM Invest program<br>► The coverage levels provided by the state will consist of RON 5,000,000 (approx. €1,026,000) per beneficiary at most. Specifically, warrants will be:<br>► At the rate of maximum 80% of the amount of funding, excluding interest, charges and other expenditure relating to the secured funding, for the acquisition of IT equipment and information technology within a finance lease operation;<br>► At the rate of maximum 60% of the amount of funding, excluding interest, charges and other expenditure relating to the secured funding, for the acquisition of technological machinery and equipment, cargo and passenger transport motor vehicles used for commercial purposes within a finance lease operation<br>► It is necessary for the applicant to meet a series of requirements referring to relations with the Ministry of Finance and with the funder. There are also a number of requirements referring to loans and payment history of the applicant and to the economic performance of the SME (i.e., the enterprise must not be in difficulty)<br>► The same activities are excepted from the program, as in the case of the IMM Invest program detailed above | ► SME<br>► Small enterprise<br>► Microenterprise | 22 July 2020 |
| ► Companies have the right to request from their creditors the suspension of the obligation to pay capital, interest and fees in respect of loan arrangements for a period ranging between one and nine months. The suspension period has a hard-stop date of 31 December 2020 | ► All companies | 30 March 2020 |

# COVID-19 Response: Romania

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **VAT Reimbursements**<br>► The Romanian government has introduced a scheme pursuant to which the National Fiscal Administration Agency reimburses VAT in an aggregate amount of RON 4 billion (c. €821 million) during the state of emergency period and for 30 days thereafter | ► All companies subject to certain exceptions (e.g., if a tax audit has started before 16 April 2020, for tax payers who have criminal offences in their fiscal record, if the tax office determines that there is a risk of an unjustified return etc.) | 16 April 2020 |
| **Cancellation of tax penalties**<br>► Interest, penalties and any accessories related to the main budgetary obligations, which are outstanding as of 31 March 2020, are canceled under certain conditions<br>► The ongoing tax amnesty mechanism enables taxpayers of all categories to get rid of interest and penalties owing to the state if the related main obligations are paid | ► All taxpayers | 8 July 2020 |

# COVID-19 Response: Romania

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Technical Unemployment Aid**<br>▸ The Romanian government has introduced an unemployment benefit scheme pursuant to which Romanian companies can obtain financial support for 75% of each employee’s base salary, capped at a gross amount of RON 4,072 (c. €835) (being 75% of the monthly average salary at a national level as approved by the state social security budget in 2020)<br>▸ The wage subsidy scheme remains operating following end of the emergency status, up to 15 September 2020 but this is extended for all areas of activity in which restrictions are maintained via enactments of various authorities, up to the lifting of these restrictions<br>▸ These employers may opt either to continue to apply the technical unemployment state support scheme or to apply the new support scheme, as described below | ▸ All companies | 21 April 2020 |
| **Support measures for employers who hire certain categories of employees**<br>▸ This measure applies to (i) individuals aged over 50 dismissed during the state of emergency or alert and registered as unemployed within the records of the unemployment agencies; (ii) individuals aged between 16 and 29 registered as unemployed within the records of the unemployment agencies; and (iii) Romanian citizens returning to Romania after being dismissed abroad due to the COVID-19 crisis (no specific conditions or limitations)<br>▸ To be eligible to receive the support, an employer must hire one of the in-scope individuals and must be retained on a full-time employment contract and for unlimited duration. The employee will receive via the employer the settlement of 50% of the employee's salary, but not more than RON 2,500 lei/ month for a period of 12 months. The employer has the obligation to maintain the employment for a period of at least 12 months following expiry of the 12 months of the benefit. In order to benefit from the support measure, the employer must conclude an agreement with the local unemployment agency by no later than 31 December 2020 | ▸ All companies | 28 May 2020 |
| **Support measure for employees who were in technical unemployment**<br>▸ In order to qualify, the employee must have been in technical unemployment for a minimum period of 15 days; the technical unemployment must have been implemented during the state of emergency or the state of alert; the employer either (i) applied for the technical unemployment state support scheme stated below or (ii) did not apply for the technical unemployment state support scheme stated below but observed the conditions for technical unemployment under the Labor Code (e.g., payment of 75% of the employee's base salary) (cont. overleaf) | ▸ All companies | 21 April 2020 |

# COVID-19 Response: Romania

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Support measure for employees who were in technical unemployment (cont.)**<br>► Under the scheme, the employee receives, via the employer, for a period of three months, a part of the salary, representing 41.5% of the gross base salary, but not more than 41.5% of the average national gross salary (i.e., maximum RON 2,253 in gross amount). The amounts are advanced by the employers and recovered from the state (unemployment agencies)<br>► Employers who terminate the individual employment contracts of the employees benefiting of the provisions of GEO 92/2020 before the stipulated deadlines are obliged to reimburse, in full, to the employment agencies the amounts collected for each person for whom the employment relationship ended before the mentioned deadline, plus the reference rate of the National Bank of Romania in force at the date of termination of individual employment contracts | ► All companies | 21 April 2020 |
| Several social support measures were approved by Government Emergency Ordinance no.132/2020 published on 10 August 2020:<br>**Regarding kurzarbeit**<br>► the employer may decrease (during a state of emergency, state of alert or under siege) by up to 50% the working time of an employee along with the employee's salary;<br>► during such a period, the employee affected by this measure may receive a financial support of 75% applied to the difference between the employee's usual gross base salary and the decreased gross base salary;<br>► the financial support is advanced by the employer and later recovered from the National Employment Agency;<br>► although *kurzarbeit* measure is set out unilaterally, by decision of the employer, consultations with the employees/employees' representatives must first take place;<br>► Consultations with employees do not require obtaining the employees' consent;<br>**Regarding telework / working from home**<br>► in order to encourage teleworking, the Government set out a one-time payment of RON 2,500 (approx. €512) for employees who have worked under a teleworking regime during the state of emergency for at least 15 days;<br>► the payment is dedicated to the purchase of equipment and services necessary for teleworking to be implemented;<br>► the measure is designed for SMEs able to prove that during the state of emergency they have used teleworking;<br>► the support measure will be available until 31 December 2020 | ► All companies | 28 May 2020 |

# COVID-19 Response: Romania

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
| --- | --- | --- |
| **Grants** | | |
| **Grants to SMEs**<br>► The European Commission approved the state aid scheme in the amount of €935,000,000 for awarding grants to SMEs affected by the COVID-19 pandemic, support that will be financed through the Competitiveness Operational Program (COP) 2014-2020. The total value of grants to be awarded to SMEs is €1,000,000,000<br>► Three major forms of support of non-reimbursable external funds are laid down:<br>a) micro-grants awarded out of non-reimbursable external funds as lump sum (€2,000). The funds allocated to micro-grants within the COP 2014-2020 are in the amount of €100,000,000<br>b) grants for working capital awarded to beneficiaries as lump sum, as a percentage of the turnover. The funds allocated for working capital grants are in the amount of €350,000,000<br>c) grants for productive investment awarded to SMEs out of non-reimbursable external funds based on evaluating the submitted investment project<br>► Investment grants will be awarded per project and beneficiary and will be between €50,000 and €200,000, based on the financing needs of the submitted investment projects. The funds allocated for investment grants are in the amount of €550,000,000<br>► According to GEO 130/2020, the working capital grant will be awarded to beneficiaries of the state aid in the form of lump sum representing 15% of the 2019 turnover, as follows:<br>a) For SMEs with a 2019 turnover between €5,000 and €13,500, the grant value is €2,000;<br>b) For SMEs with a 2019 turnover between €13,501 and €1,000,000, the grant value will be determined as 15% of the turnover but will not exceed the amount of €150,000<br>c) For SMEs with a 2019 turnover in excess of €1,000,000, the maximum value of the grant is €150,000 | ► SME<br>► Small enterprise<br>► Microenterprise<br>► Registered sole trader<br>► Individual medical practice | 31 July 2020 |

# COVID-19 Response: Romania

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Grants** | | |
| **IMM and Hospitality Industry operators de minimis aid program for the period 2020-2027**<br>► Per GEO 159/2020 the program „Electric Up“ has been approved whereby SMEs and Hospitality Industry operators will be granted a de minimis aid for installing photovoltaic pannels for the production of electric energy with an installed power between 27 kWp and 100 kWp for own consumption and for the delivery of excess electric energy into the National Energy System, as well as for the installation of 22kW charging stations for electrical and electrical hybrid plug-in vehicles („Program“)<br>► The investment project subject to the financing request must target an installed power of at least 27 kWp and at least one (1) 22 kW charging station<br>► The maximum value of the aid is of €100,000 / beneficiary (100% of the eligible cost for the investment), while the entire value of the Program is of RON 476,000,000 (approx. €9,650,000) for the first cycle of financing<br>► The beneficiary is entitled to an advance payment of 30% of the eligible costs if a guarantee (issued either by a bank or an insurance company) is provided | ► SME<br>► Small enterprise<br>► Microenterprise<br>► Hospitality industry operators | 8 September 2020 |
| **IMM de minimis aid for the increase of IT&C contribution to economic competitivity**<br>► Per Order 1092/2020 issued by the European Funds Ministry, the program is intended only for small and medium-sized enterprises (SMEs)<br>► Activities eligible for de minimis aid:<br>► The state aid is designed to be granted to SMEs operating in the following economic sectors manufacturing of electronic subassemblies (NACE code C2611), manufacturing of other electronic components (NACE code C2612), manufacturing of communications equipment (NACE code C2630), client oriented software activities (NACE code J6201), IT consultancy activities (NACE code J6202), activities related to the management and utilization of computing tools (NACE code J6203), other activities related to the IT services (NACE code J6209), bio-technology R&D (M7211), natural and engineering sciences R&D (NACE code M7219)<br>► The maximum amount of the aid is of €200,000 / beneficiary (or €100,000 if the beneficiary operates in the transport sector)<br>► The budget for the de minimis aid is of €5,000,000 and will apply until 31 December 2021 with payments to be made until 31 December 2023 | ► SME<br>► Small enterprise<br>► Microenterprise | 15 September 2020 |

# COVID-19 Response: Romania

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Grants** | | |
| **IMM state aid for the development of IT&C products and services**<br>► Per Order 1093/2020 issued by the European Funds Ministry, the program is intended only for small and medium-sized enterprises (SMEs)<br>► The state aid is designed to be granted to SMEs operating in the following economic sectors: manufacturing of electronic subassemblies (NACE code C2611), manufacturing of other electronic components (NACE code C2612), manufacturing of communications equipment (NACE code C2630), client oriented software activities (NACE code J6201), IT consultancy activities (NACE code J6202), activities related to the management and utilization of computing tools (NACE code J6203), other activities related to the IT services (NACE code J6209), bio-technology R&D (M7211), natural and engineering sciences R&D (NACE code M7219)<br>► The entire budget for the state aid scheme is of €45,000,000,000 of which:<br>► €4,500,000 are allocated for regional investments;<br>► €31,500,000 are allocated for R&D projects;<br>► €4,500,000 are allocated for SMEs innovations;<br>► €4,500,000 are allocated for process and organisational innovation<br>► The state aid scheme will apply until no later than 31 December 2021 while payment of the aid will be performed up to 31 December 2023 and there are estimated up to 45 beneficiaries | ► SME<br>► Small enterprise<br>► Microenterprise | 15 September 2020 |

**Note:**

- This document only summarizes key measures implemented to benefit businesses operating in Romania
- The measures described above were in place as of **28 October 2020**. Updates and additional government measures are expected

# Spain

# COVID-19 Response: Spain

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Non-performing mortgage loans and loans not secured by a mortgage**<br>► Banks (and other creditors) are being asked to extend payment terms of (a) mortgage loans over (i) main dwellings when the debtor is subject to economic hardship situation (vulnerabilidad económica) (ii) properties owned by entrepreneurs used to carry out their activity and who have suffer a material profit loss arising from the COVID- 19 crisis (i.e., a loss of at least 40% of their total billing) and (iii) rented dwellings other than the main dwelling's in case the mortgage debtor, owner and landlord, has ceased to receive the rent since the entry into force of the state of emergency, and up to a month since it is lifted and (b) loans and financial leasing transactions not secured by a mortgage taken out by individuals undergoing any circumstance of economic vulnerability | ► NPL creditors of Spanish individual debtors of the non-performing mortgage<br>► Until 29 September 2020 | Approved by Royal Decree 8/2020 of 17 March and modified by Royal Decree 11/2020 of 31 March<br>Royal Decree 19/2020 |
| **The solvency support fund**<br>► A solvency fund has been created for the recapitalization of strategic companies, with an initial amount of €10 billion. The fund will be managed through the state-owned industrial holding company ("SPI"), by the newly created management committee to support the solvency of strategic companies<br>► The fund will provide public temporary support to the strategic companies that apply for it: granting profit participative loans, subordinated debt, shares subscription or other capital instruments | ► Strategic companies | Royal Decree 25/2020 |

# COVID-19 Response: Spain

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Guarantees to be granted by the Ministry of Economic Affairs and Digital Transformation for bank financing**<br>▶ Up to €100 billion of guarantees for banks providing additional financing to businesses to cover liquidity needs. To be coordinated by the Instituto de Crédito Oficial (ICO) public bank<br>▶ Three tranches have been released: (i) first tranche as of €20 billion (50% of the total amounts is being granted to SMEs and self-employed and the remaining 50% to large companies) (i) second tranche as of €20 billion (100% to be granted to SMEs and self-employed) (iii) €24,500 million (€10,000 millions is being granted to SMEs and self-employed, €10,000 millions to large companies, €4,000 million is for the benefit of issuers of commercial paper and €500 million is addressed to CERSA) (iv) a fourth tranche amounting to €20,000 million (entirely for the benefit of SMEs and self-employed) and (v) a fifth tranche amounting to €15,000 million (€7.500 million to be made available for SMEs and self-employed, €5,000 million for the rest of the companies, €2.500 millions for self-employed workers of the tourism sector and €500 million for acquisition and financial or operating lease of vehicles of inland transport for professional use by companies)<br>▶ The guarantee will cover partially the amount of the operations, as follows:<br>1. 80% of the new loans and refinancing of operations requested by self-employed and SMEs. In the case of large companies, the guarantee will cover 70% of the new loans and 60% of the refinancing operation<br>2. 70% of the amount of the issue of commercial paper<br>3. 80% if the facility is addressed to CERSA<br>▶ Those transactions over €50 million will require an independent approval from the ICO<br>▶ For more information on this guarantee line please visit this link | ▶ Loans, renewal of loans and other type of financing granted or renewed after 17 March 2020 and until December 31, 2020, including promissory notes registered in the AIAF (*Mercado de Renta Fija de la Asociación de Intermediarios de Activos Financieros*) and the MARF (*Mercado Alternativo de Renta Fija*) and CERSA — Not applicable to the cancelation and early repayment of existing debts. The financing can not be used to pay dividends<br>▶ Borrowers must be domiciled in Spain, affected by the COVID-19 crisis and (i) not under a insolvency proceeding, insolvent as for 17 March 2020 or listed under public default record (CIRBE) as for 31 December 2019 and (ii) for loans over €1.5 million not in under an "undertaking in difficulty" (i.e., crisis situation) according to the EU commission's regulation 651/2018. For issue of commercial paper, it is also required that the issuer had traded a program of commercial paper in MARF before April 21<br>▶ Financial institutions shall be registered and supervised by the Bank of Spain (or CNMV in its case), and therefore, the financing could not be provided by foreign funds<br>▶ Maximum amount: for transactions exceeding €1.5 million, the maximum secured amount cannot exceed either (a) two times the total employment costs, including salaries and social security contributions, or (b) 25% of total turnover. In duly justified cases, financing may cover up to 12 months of liquidity needs of the borrower | First tranche approved on 25 March<br><br>Second tranche approved on 10 April<br><br>Modified by Royal Decree 15/2020 of 21 April (as updated on 19 September 2020<br><br>Third tranche approved on 6 May. |

# COVID-19 Response: Spain

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **ICO** – **general**<br>▶ Up to €10 billion financing to be made available, either directly to large companies or through Spanish banks for SMEs or self-employed workers. To be implemented though the ICO's current facilities and pursuant to ICO's normal proceedings. Most common guarantee line capped at €12.5 million per year and per company and repayment periods between 1 to 20 years (with the option of a three-year grace period) | ▶ Companies and self-employed workers that carry out their activity in Spain, regardless of (i) the location of their corporate and tax registered address and (ii) the shareholders' nationality<br>▶ For more information about this credit supplemented please this link | 17 March |
| **ICO – tourism sector**<br>▶ Up to €400 million to be made available to businesses in the tourism sector. Capped at €500,000 per company per year with a fixed 1.5% interest and terms of 1-4 years (+1 year grace) | ▶ Companies and self-employed workers operating in the tourism sector with registered office in Spain | From 17 March. Funds now exhausted. |
| **Credit supplement by CERSA**<br>▶ Up to €60 million to be made available to SMEs and self- employed workers by the Spanish Refinancing Company (*Comañia española de refinanciamiento "CERSA*") through the "Small and Medium-Sized Enterprises Support Program"<br>▶ For more information about this credit supplement please visit this link. Additionally, see the legal flash drafted by Cuatrecasas which develops the abovementioned financial aids in Spain at this link<br>**Return of the irrecoverable expenditure by ICEX**:<br>▶ ICEX España Exportación is authorized to return irrecoverable expenditure to companies that have paid such expenses to take part in the international promotion activities when such activated have been cancelled, severely affected or postponed due to the COVID-19 crisis | ▶ SMEs and self-employed workers | Approved by Royal Decree 11/2020 of 31 March |

# COVID-19 Response: Spain

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Insurance coverage facility charged to the Internationalization Reserve Fund (*Fondo de Reserva de los Riesgos de la Internacionalización*)**<br>► Up to €2 billion<br>► During a period of six months from 17 March 2020<br>► Not compatible with the ICO's guarantee | ► Companies that fulfill least one of the following two requirements (i) having an international business, as appearing in the most recent financial information available, representing at least 33% of their turnover, or (ii) carrying out export transactions on a regular basis | 17 March |
| **Guarantee facility for investments**<br>► This facility is for a maximum of €40 billion and will be available until 31 December 2020. A first tranche of €8 billion (€5 billion to be allocated to SMEs and self-employed) has been released.<br>► To be coordinated by the Instituto de Crédito Oficial (ICO) public bank<br>► The purpose is to cover needs arising from new investments and the payment of ordinary expenses and those arising from new investments<br>► The guarantee will partially cover the amount of the operations, as follows:<br>1. 80% of the new loans and refinancing of operations requested by self-employed and SMEs<br>2. 70% of the amount of the operations requested by the rest of the companies | ► Type of financing benefiting from this guarantee is very broad including new loans and other type of financing. Excluding (i) payment of dividends and (ii) refinancing, restructuring, renegotiation or renewal of existing loans or cancellation on early repayments or financing to any kind of debtors. The loans shall be granted after 29 July 2020<br>► Maximum amount and borrowers eligibility: it applies the regulation of the ICO guarantee (slide 161 above) | Approved by Royal Decree 25/2020 |
| **Deferral of interest for loans granted by the public administrations sector**<br>► A deferred payment of principal or interest that should have been paid within the remaining months of 2020 may be requested by companies and self-employed workers that have been granted a loan by the public administration sector (i.e., by the authorities of autonomous regions and those local authorities that belong to the public administrations) | ► Companies and self-employed workers that have been granted a loan by the public administration sector | Approved by Royal Decree 11/2020 of 31 March |
| **Facility for innovating and digitally transforming the tourism sector**<br>► Financing facility in the form of reimbursable loans, for up to €216 million, for companies and self-employed in the tourism sector affected by COVID-19 | ► Companies and self-employed involved in the tourism sector that meet the obligations of RDL 15/2020 | Approved by Royal Decree 25/2020 |

# COVID-19 Response: Spain

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **Deferral of tax payments for self-employed workers and SMEs***<br>► Companies may defer tax debts incurred between March 13 and May 30 for a period of six months<br>► No interest on late payment for the first three months - maximum amount of the tax debt to defer is limited to €30,000<br>► Includes tax debts arising from VAT, withholdings and installment payment for corporate income tax<br>**Corporate Income Tax (*Impuesto de Sociedades*)**<br>► Installment payments on account corresponding to financial years starting as of 1 January 2020 for companies (i) with a business volume not exceeding €600,000 and (ii) with net turnover lower than €6m in financial tax year 2019 | ► Companies with turnover not exceeding €6,010,121.04 in year 2019<br>► **Large companies** to maintain the current tax regulation – Spanish Government to decide on the potential extension of this measure to other companies affected by COVID-19 | Approved by Royal Decree 7/2020 of 12 March |

# COVID-19 Response: Spain

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
| --- | --- | --- |
| **Employment** | | |
| **Temporary redundancy scheme (ERTE)**<br>► Since the beginning of the COVID-19 outbreak, employers were able to suspend employment or reduce working hours using simplified administrative proceedings, due to a force majeure situation directly resulting from the COVID-19 outbreak or related containment measures, as well as due to business reasons resulting from COVID-19<br>► Companies affected by new health risk mitigation measures (adopted from 1 October 2020) can also apply for an ERTE on the grounds of force majeure when their activity is being prevented or limited<br>► Companies do not have to pay employees' salaries (or can pay proportionally to the reduced working hours) but certain companies are exempted from paying social security contributions (the possibility to apply these exemptions and their amounts depend on the type of ERTE, the company's activity and the number of employees of the company)<br>► Government will pay unemployment benefit to the employees<br>► The ERTEs on the grounds of force majeure can be extended until 31 January 2021. ERTEs due to business reasons resulting from COVID-19 may be extended by mutual agreement within a consultation period | All companies exposed to COVID-19 | Approved by Royal Decree 8/2020 of 17 March (as updated on September 30, 2020) and RDL 24/2020 of 26 June, RDL 30/2020 of 29 September |

# COVID-19 Response: Spain

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Exemption of social security contributions**: Companies that meet certain requirements may apply to the General Treasury of Social Security for exemptions to the payment of social security contributions while the ERTE is in force<br><br>**Safeguard of jobs:** Once the company starts benefiting from exemptions on social security contributions it will be subject to a six-month commitment to maintain jobs. If a previous safeguard of jobs applied, the start date of the new six-month commitment to maintain jobs will be the date on which the previous six-month commitment ceases to be in force. Breach of the safeguard will result in the need to return all unpaid contributions, plus interests and surcharges | ► Approved by Royal Decree 8/2020 of 17 March and RDL 24/2020 of June 26 RDL 30/2020 of 29 September<br>► ERTE of companies that belong to a sector “seriously affected by the pandemic”: from 75% to 85% of the contribution of all employees<br>► ERTEs on the grounds of force majeure in case of a new outbreak/activity being prevented by new measures: from 90% to 100% of the contribution of employees on ERTE<br>► ERTEs on the grounds of force majeure due to the activity being restricted by new measures: from 70% to 100% of the contribution of employees on ERTE<br>The exemptions on SS contributions depends on (i) the type of ERTE, (ii) the company’s activity, (iii) the number of employees and (iv) the contribution month (from October, 2020 to January, 2021). Each scenario must be analyzed on a case by case basis | Approved by Royal Decree 8/2020 of 17 March<br>Royal Decree 16/2020 of 13 May<br>RDL 24/2020 of 26 June<br>RDL 30/2020 of 29 September |
| **Moratorium on Social Security contributions**<br>► After RDL 24/2020, companies cannot request a six-month period moratorium or a deferred payment of Social Security debts | N/A | Approved by Royal Decree 11/2020 of 31 March<br>RDL 24/2020 of 26 June |

# COVID-19 Response: Spain

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **Prohibition of paying dividends**<br>► Companies subject to an ERTE based on force majeure are not allowed to pay dividends for such financial year (i.e., 2020), unless they pay (in advance) the amount corresponding to the exemption of social security contribution. | ► Not applicable to companies with less than 50 employees as of 29 February 2020 | Live |

# COVID-19 Response: Spain (Continued)

## Other Considerations

### Insolvency laws

Certain other measures have been introduced in the context of Spain's insolvency regime to grant debtors more time to renegotiate debts and to protect directors from undue liability:

- Insolvent debtor's obligation to file for insolvency has been suspended until 31 December 2020. Spanish courts will not process the mandatory applications for insolvency until this date, and if the applications for voluntary insolvency proceedings were submitted before this date, they will be prioritized
- Court-sanctioned refinancing agreements can be amended, even if a year has not elapsed since the previous approval
- The obligation of debtors undergoing insolvency to file a request for liquidation if they are unable to fulfill the composition agreement approved to facilitate amendments (the so-called reconvenio) has been suspended until 14 March 2021
- Improved treatment of financing by "inside parties" or "closely related parties" (*personas especialmente relacionadas*) in proceedings filed until 14 March 2022
- As regards the obligation to director's duty to wind up due to qualifying losses, losses corresponding to 2020 will not be taken into account to ascertain whether the company has grounds for dissolution

Additionally, the Spanish Royal Legislative Decree 1/2020, of 5 May, has approved the Spanish Recast Insolvency Act, which will be in force from 1 September 2020

### Restriction on foreign investments

Prior governmental approval will be required for direct investments made during this exceptional period (exact term to be defined by government) by (i) residents in countries outside the EU and the EFTA or (ii) residents of the EU and the EFTA when a non-resident holds, has ultimately direct or indirect control of over 25% of the company's share capital or its voting rights, or when, through any other means, it exercises direct or indirect control over the investor, provided that:

- the investment is made in certain strategic sectors affecting public order, public security or public health: critical infrastructures (physical or virtual), such as energy, transport, healthcare, telecom, media, data processing/storage, aerospace, defense, electoral, financial, sensitive facilities and key land/real estate; critical technologies and dual-use goods (AI, robotics, cybersecurity, nanotechnologies, etc.), supply of fundamental inputs (energy, raw materials, food security), IT, media; or
- any of the following conditions is met: (i) direct or indirect control of the investor by a third country government (ii) investor's participation in any of the aforesaid strategic sectors in another Member State; or (iii) there is an existing administrative or court proceeding against the investor for criminal or unlawful activities in another Member State

# COVID-19 Response: Spain (Continued)

## Other Considerations (Continued)

### Restriction on foreign investments (continued)

- A temporary fast track / simplified process has been included (to be concluded in a period of c.30 / 45 days) for the approval of (i) “ongoing transactions” where the parties may prove by any means that there is binding offer or agreement with a price that was fixed (or capable of being determined) before 18 March 2020 or (ii) transactions with a value between €1 million and €5 million
- Investments for a value under €1 million would not require prior approval

### Prohibition of dismissal and termination

Force majeure and economic, technical, organizational and production grounds arising from COVID-19 outbreak do not justify employment contracts termination / dismissal

- Applicable until 31 January 2021
- The burden of proof is on the companies, who must justify that the dismissal/ termination of the employment agreement is due to structural reasons not arising from the COVID-19 outbreak
- In cases where the investment derives from a tax haven and exceeds 50% of the Spanish company’s share capital, a prior declaration must be submitted, in addition to the one submitted within one month following the transaction

### Tenancy measures

- Suspension of eviction processes due to rent payment default in favor of tenants in a situation of vulnerability due to COVID-19. Duration of six months (as from 2 April 2020)
- Extraordinary extension for up to six months (on the same terms) of leases ending between 2 April 2020 and the end of the two months following the finalization of the current state of emergency
- Automatic extension/moratorium on rent payments in favor of vulnerable tenants when the landlord is a public company / agency or a large residential real estate owner (i.e., companies or individuals owning more than 10 urban buildings or with a built-up area of over 1500 $m^2$), or leases corresponding to the Social Housing Fund. Landlords to choose between (i) 50% rent abatement while the state of emergency is in force or (ii) deferment of all rent payments (for the same period). The deferred amounts shall be payable over a minimum period of three years, interest free
- Temporary financing program put in place by the government in cooperation with financial entities, which may cover up to six months of rent. – Applicable to landlords that are not a public company / agency or a large residential real estate owner and when the parties have not reach an agreement on rent postponement or abatements

# COVID-19 Response: Spain (Continued)

### Other Considerations (Continued)

Moratorium on rent from leases for properties other than main dwellings

- Legitimacy: SMEs complying with the limits determined by law (among others, total of assets below €4m) and self employed
- In case the landlord is a large residential real estate owner, the tenant may request a moratorium in the rent payments (to be requested within the term of 1 month from 23 April 2020) that will cover the period until the state of emergency is lifted
- In case the landlord is not a large residential real estate owner, and if the parties have not agreed on a reduction of the rent, the tenant may request an extraordinary moratorium period – terms and conditions to be agreed by the parties. The parties may dispose of the legal deposit in order to pay (totally or partially) the corresponding monthly rent. In such case, the tenant shall return the legal deposit in the period of 1 year
- Companies and self-employed workers in the tourism sector that are lessees of mortgage properties related to the same sector are entitled to a moratorium on rents of at least 70%
- No enforcement period for tax debtors which have been granted with the government backed schemes
- No enforcement period for tax debts arising from assessments and self-assessments with filing and payment deadlines between 20 April 2020 and 30 May 2020
- The tax debt shall be paid once the government backed schemes are granted or, at the latest, up to one month from the filing deadline

### Moratorium by agreement

A new thee-month moratorium on financial debt is introduced, the so called “moratorium by agreement”, applicable for agreements reached between a debtor and a financial institution that are subject to the provision of sectorial framework agreements between financial institutions through their associations (those entered into between Spanish Confederation of Saving Banks (CECA) and the Spanish Banking Association (AEB)

### Note:

The measures described above were in place as of **26 October 2020**. Updates and additional government measures are expected.

# Sweden

# COVID-19 Response: Sweden

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| ► The Swedish Central Bank has adopted a number of measures to ensure stability. It offers lending up to SEK 500 billion (c. €48 billion) to companies via Swedish commercial banks, in order to secure availability of credit for Swedish companies and to increase asset purchases. Moreover it plans to purchase up to SEK 500 billion of securities to facilitate credit supply. Last, the Central bank offers banks lending in USD of up to $60 billion and in SEK to unlimited amounts against collateral | All Swedish companies and banks | Live |
| ► Extension of the credit guarantees issued by the Swedish Export Credit Corporation up to a maximum total amount of SEK 500 billion (c. €48 billion) to promote Swedish exports. Similarly, the total loan amount that the Swedish Export Credit Corporation can extend on an individual basis has been increased from SEK 125 billion to SEK 200 billion (c. €19 million)<br>► Swedish Central Bank to acquire securities for up to an addition SEK 300 billion (c. €29 billion) to support credit supply and limit the downturn | All Swedish exporting companies | Live |
| ► Swedish government has introduced an aviation guarantee scheme totaling SEK 5 billion (c. €484 million) to assist Swedish airlines that face financial difficulties (as determined by the government) during the COVID-19 crisis | Swedish airlines with SEK 1.5 billion (c. €145 million) already allocated for Sweden SAS airline | 19 March |
| ► Almi, the Swedish government owned investment vehicle, has been provided with additional funding of SEK 3 billion (c. €290 million) as a measure to boost lending to Swedish SMEs. Subsidiary Almi Invest has received SEK 400 million to invest in small innovative companies | Companies based in Sweden | 20 March |

# COVID-19 Response: Sweden

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| ► Swedish tax authorities to defer payment of preliminary tax, national insurance contributions and VAT for Swedish companies for the period running from January 2020 to September 2020 (and the period running from 27 December 2019-17 January 2021 for companies declaring VAT annually). This policy will have retroactive effect from 1 January 2020 and it will be possible for companies to apply for the repayment of taxes already paid | All companies in Sweden required to pay the relevant taxes | 3 April |
| ► Certain Swedish companies to be permitted to apply profits accrued for 2019 against 2020 losses. It is also proposed to enable the repayment of tax paid during 2019 by a reduction in taxable profits up to SEK 1 million (c. €97,000) | All companies in Sweden required to pay the relevant taxes | 6 April |
| **Employment** | | |
| **Temporary employee layoffs**<br>In the event of temporary employee lay-offs and reduced work hours (up to 60% reduction), employees will receive 90% of their salary with a cap of up to SEK 44,000 per month (c. €4,300). The Swedish government will assume 75% of the cost for the employee reduced work hours during 2020. Support can be granted for six months, with the possibility of An extension for a further three months. Applications can be submitted until end of 2020 | All Swedish companies requiring their employees to go on temporary leave | Live |

# COVID-19 Response: Sweden

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Grants** | | |
| ► The Swedish government offers a direct financial support regime available for companies having suffered a reduction in turnover as a result of the pandemic. Support is available for companies with at least SEK 250,000 turnover in the last fiscal year that have suffered a fall in turnover (compared to the same months in 2019) of more than 30% during April, 40% during May and 50% during June and July, due to COVID-19. The level of support would depend on the fall in turnover and amount to between 22,5% and 75% of the company's fixed costs in April/May 2020 (excluding wage cost) up to a cap of SEK 75 million per company. Applications may be submitted until 30 November | Companies having suffered a fall in turnover (NB companies paying dividends are excluded) | 19 October |
| ► Financial support to media companies by a total of SEK 500 million (c. €48,400,000) | Swedish media companies | 8 May |

**Note:**

- This document only summarizes key measures implemented to benefit businesses operating in Sweden
- The measures described above were in place as of **30 October 2020**. Updates and additional government measures are expected

# Switzerland

Subject to the disclaimer on page 2

# COVID-19 Response: Switzerland

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **Tax payments / Social security contributions**<br>► The Swiss government has implemented a liquidity buffer for tax payments and extended payment deadlines without interest on arrears. As a consequence, the interest rate for VAT, customs duties, steering taxes and certain other taxes will drop to 0%. The interest reduction is applicable for the period from 1 March to 31 December 2020 (for the direct federal tax) or for the period from 21 March 2020 to 31 December 2020 (for VAT and similar taxes), respectively<br>► In addition, companies are entitled to a temporary and interest free deferral of payments for social security contributions. They also have the option of having their regular account contributions adjusted if their aggregate salary payments decrease significantly | ► Companies subject to the Swiss tax regime. The new regime applies at the federal level. Cantonal tax regimes are not harmonized and vary from canton to canton | 21 March |

**Note:**

- This document only summarizes key measures implemented to benefit businesses operating in Switzerland
- The measures described above were in place as of **30 October 2020**.

# United Kingdom

# COVID-19 Response: United Kingdom

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **COVID-19 Corporate Financing Facility (CCFF):**<br>► Vehicle run by the BoE and backstopped by the Treasury<br>► Purchases (via a bank) commercial paper of up to one-year maturity issued by eligible companies with a nominal value of at least £1,000,000<br>► Funded by the issuance of additional central bank reserves with no formal cap<br>► Pricing: spread to OIS which varies according to rating as at 1 March 2020 | **Companies that:**<br>► make a **material contribution** to the UK economy[1];<br>► had, prior to being affected by COVID-19, a short or long-term rating of **investment grade**, or financial health equivalent to an investment grade rating[2]; and<br>► are **non-banks**[3 4] | Live until 23 March 2021 |
| **Coronavirus Large Business Interruption Loan Scheme (CLBILS)[5]:**<br>► Accredited lenders will provide term loans, revolving credit facilities (including overdrafts), invoice finance and asset finance to eligible companies, which will benefit from a government guarantee for 80% of the debt amount (up to £200,000,000)<br>► Businesses seeking loans > £50m will be subject to restrictions on dividends and other shareholder and management payments<br>► For facilities of up to £50m, dividend payments will be allowed to continue but not increase<br>► On 2 November 2020, the government announced that the CLBILS would be extended until 31 January 2021 | **UK based large businesses** with group turnover of > £45,000,000 p.a.. See here for detailed eligibility criteria | Live until 31 January 2021 |

1. According to BoE guidance, this requirement will likely be satisfied if the applicant is a UK incorporated company, including with a foreign-incorporated parent, that has a genuine business in the UK; significant employment in the UK; its headquarters in the UK; that serves a large number of customers in the UK; and/ or that has a number of operating sites in the UK
2. Eligibility requires a minimum short-term credit rating of A-3 / P-3 / F-3 from at least one of S&P, Moody's and Fitch as at 1 March 2020. The Bank and HMT will consider the eligibility of issuers at the lowest rating that were on negative watch/outlook as at 1 March. Where no short-term credit rating is available, the BoE will consider whether a long-term credit rating can be used or whether the BoE can assess that the issuer is of "equivalent financial strength" (internal bank rating usually sufficient)
3. Commercial paper issued by non-bank financial companies will in principle be eligible, subject to the BoE being satisfied that the issuer makes a material contribution to corporate financing in the UK. Commercial paper issued by leveraged investment vehicles or from companies within groups that are predominantly banks, investment banks or building societies will not be eligible
4. Detailed guidance on the scheme is available here
5. Detailed guidance on the scheme is is available here

# COVID-19 Response: United Kingdom

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Coronavirus Business Interruption Loan Scheme (CBILS):**<br><br>Accredited lenders will provide loans and overdrafts to eligible companies, which will benefit from a government guarantee for 80% of the debt amount and will be offered on the following terms:<br><br>► amount: up to £5,000,000 (to be used to support primarily trading in the UK)<br><br>► interest/fees: interest/fee free for first 12 months (payments covered by government)<br><br>► term: from three months up to ten[1] years for term loans and asset finance and up to three years for revolving facilities and invoice finance<br><br>► collateral: official guidance only specifies as follows: No personal guarantees for facilities under £250,000. Personal guarantees may still be required, at a lender's discretion, for facilities above £250,000, but they exclude the Principal Private Residence (PPR) and recoveries under these are capped at a maximum of 20% of the outstanding balance of the CBILS facility after the proceeds of business assets have been applied | **UK based SMEs:**<br><br>► with group turnover of ≤ £45,000,000 p.a. (N.B., some sector-specific thresholds); business must generate more than 50% of its turnover from trading activity<br><br>► in an eligible industrial sector (excluding, e.g., banks, state-funded schools, insurance, etc.)<br><br>► that have not received de minimis State aid beyond €200k over the current and previous two fiscal years<br><br>► that have a borrowing proposal which the lender would consider viable, were it not for the current pandemic<br><br>► Undertakings in difficulty are eligible (from 30 July 2020) provided they have fewer than 50 employees and a turnover of less than £9 million | Live until 31 January 2021 |
| **Bounce Back Loan Scheme (BBLS):**<br><br>► The Government will provide six-year term loans of up to 5% of a business' turnover (capped at £50,000). The loans will be interest and fee free for the first 12 months and fully guaranteed by the government. A detailed overview of the scheme is available here. A new "Pay as You Grow" flexible repayment system was announced on 24 September 2020 which extended the term of the loans from six to ten years, introduced interest-only periods of up to six months and made payment holidays available to help struggling businesses.<br><br>► New opportunity to top-up bounce back loans if a business didn't borrow the full amount announced on 2 November 2020 | Businesses engaged in trading or commercial activity in the UK which have been adversely affected by COVID-19, regardless of turnover | Live until 31 January 2021 |

1. Original term was up to six years but this was extended to ten years on 24 September 2020. Existing lenders will have the ability to extend the term of a loan from a maximum of six to a maximum of ten years if it will help the business repay the loan

# COVID-19 Response: United Kingdom

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **Future fund:**<br>The Government will provide convertible loans to "innovative companies" on a 50/50 basis with private investors:<br>► amount: £125,000 to £5,000,000 each (or the private investor can choose to upsize its share)<br>► purpose: working capital purposes and shall not be used by the company to repay any borrowings, make any dividends or bonus payments to staff, management, shareholders or consultants or, in respect of the government loan, pay any advisory or placement fees or bonuses to external advisers<br>► conversion: initial bridge funding will automatically convert into equity on the company's next qualifying funding round at a minimum conversion discount of 20% to the price set by that funding round with a company repayment right in respect of the accrued interest; IPO or sale; maturity (unless lenders require cash repayment)<br>► interest: minimum of 8% per annum (noncompounding) paid on maturity of the loan<br>► term: 36 months<br>► other terms: further details here | **Unlisted UK registered company:**<br>► that has raised at least £250,000 in aggregate from private third party investors in previous funding rounds in the last five years; and<br>► that has a substantive economic presence in the UK | Live |

# COVID-19 Response: United Kingdom

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Tax** | | |
| **Business rates relief**<br>► 12 month payment holiday for year commencing 1 April 2020 | **Companies in the retail, hospitality or leisure sector and nurseries[1]:**<br>► payment holiday for businesses liable to pay business rates | Live |
| **Relaxation of HMRC's Time To Pay service rules (deferral of tax payments due)** | **Companies experiencing financial stress due to COVID-19**<br>► arrangements agreed with HMRC on case-by-case basis | Live |
| **Deferral of one quarter's VAT payment (falling due between 20 March 2020 and 30 June 2020) until the end of the financial year**<br>► Option to pay deferred VAT in 11 smaller interest-free payments during the 2021-22 financial year (rather than in one lump sum) announced on 24 September 2020 | **Companies liable to pay VAT. Companies should cancel any corresponding direct debit** | Live |
| **Temporary reduced rate of VAT**<br>► Temporary 15% VAT cut for the tourism and hospitality sectors (originally from 15 July 2020 to 12 January 2021 and extended to 31 March 2021 on 24 September 2020) | ► Suppliers of hospitality, hotel and holiday accommodation and leisure attractions<br>► Includes supplies of food, non-alcoholic beverages, sleeping accommodation and admission to attractions not already eligible for the cultural VAT exemption | Live |

1. For further information about which companies qualify for the relief, please follow this link

# COVID-19 Response: United Kingdom

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Employment** | | |
| **Extended job retention scheme (for employees not working due to COVID-19)[1]**<br>► HMRC to provide grants to employers until 31 March 2021<br>► For hours not worked by the employee, the Government will pay the employer 80% of wages up to a cap of £2,500<br>► Employers will pay employer NICs and pension contributions for hours not worked<br>► Employers are able to choose to top up employee wages above the scheme grant at their own expense<br>► To claim the grant for furloughed hours, employers will need to report and claim for a minimum period of 7 consecutive calendar days<br>► The level of government support may be reduced from January 2021, if economic circumstances are improving | **Companies with PAYE employees in the UK**<br>► There is no requirement for either the employer or employee to have used the job retention scheme previously<br>► Employees must be on an employer's PAYE payroll by 23:59 on 30 October 2020<br>► Employees can be on any type of contract<br>► Note that employee consent to furloughing and, in the absence of a 20% top up, reduced wages is required<br>► Employers are able to bring furloughed employees back to work any shift patterns, while still being able to claim job retention scheme relief for hours not worked | Announced on 31 October 2020 – application process expected to go live shortly |
| **Ability to reclaim Statutory Sick Pay paid for up to two weeks (£95 p.w.) due to COVID-19** | **Companies required to pay SSP with < 250 employees (threshold expected to be for the entire group)** | Live |

1. The Job Retention Scheme was originally due to end on 31 October 2020 but was extended to December 2020 (and then to 31 March 2021) following the government's announcement of a further four-week nationwide lockdown for England on 31 October 2020

# COVID-19 Response: United Kingdom

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Grants** | | |
| **Lockdown grant scheme**<br>► During the new period of national lockdown (from 5 November to 2 December 2020)<br>► Grant of £2,000 per month for businesses with a property rateable value under £51,000<br>► Grant of £3,000 per month for businesses with a property rateable value over £51,000 | ► Any business legally required to close | Announced on 31 October 2020 – application process expected to go live shortly |
| **Other** | | |
| **Protection from eviction for non-payment of rent**<br>► No tenant will automatically forfeit their lease and be forced out of their premises if they miss a payment prior to 31 December 2020 | ► Any business renting premises for business purposes | Live |

# COVID-19 Response: United Kingdom (Continued)

### Summary only

This document only summarizes key measures implemented to benefit businesses operating in the UK as of **1 November 2020**.

### Insolvency law framework

New laws have been put in place to ensure that insolvency related court applications and hearings are not interrupted by the social distancing measures introduced by the government.

On 25 June 2020, the Corporate Insolvency and Governance Act (the Act) was enacted (having been fast-tracked through the UK legislative process). The Act made the following changes to the UK insolvency law regime:

- Wrongful trading: temporarily amended wrongful trading provisions to discount potential liability for directors for any worsening of the company's financial position in the period 1 March to 30 September. The change did not apply to certain excluded companies, including parties to capital market arrangements
- Temporary ban on statutory demands and winding-up orders: New measures introduced to protect UK high street from aggressive rent collection and closure (initially until 30 June and now extended to 31 December). The legislation applies to all companies (not only tenants) and petitions brought by any creditor (not only landlords)
- New restructuring plan and moratorium: The government previously announced plans to introduce new restructuring procedures in August 2018. The Act implemented these plans, including the ability to bind dissenting stakeholders to a new restructuring plan (including "cross-class cram-down") and a short moratorium or 'breathing space' that will give some companies in difficulty time to explore options for rescue
- Included provisions for protection of supplies to enable companies to continue trading during the moratorium or other rescue or insolvency process

Under other legislation, landlords are prevented from using commercial rent arrears recovery (CRAR) before 31 December 2020 and commercial leases cannot be forfeited for non-payment of rent or other sums due between 26 March and 31 December 2020.

### Corporate law framework

The Act temporarily enables companies to hold AGMs in a way which is consistent with social distancing measures implemented by the government, allows companies to delay AGMs which should have taken place between 26 March 2020 and 30 December 2020 and provides an automatic, immediate extension to the deadline by which they must file their accounts and reports.

### Other measures which impact businesses

The government has taken other steps to bolster the economy as a whole (e.g., rate cuts), to increase bank lending to SMEs (e.g., Term Funding Scheme), to keep people safe (social distancing measures) and to assist individuals in financial difficulty as a result of COVID-19 (e.g., eviction/3-month mortgage payment holiday). Some of the lockdown measures have severely impacted businesses operating in the UK. Most businesses had reopened following lockdown in March. However, following a spike in the number of cases, the government announced on 31 October 2020 that there would be a further nationwide lockdown for England from 5 November to 2 December 2020. All non-essential retail businesses, indoor and outdoor leisure facilities, entertainment venues, personal care facilities and hospitality venues have now closed for at least four weeks. We anticipate that further government support measures will be announced in the coming days.

# European Union

# COVID-19 Response: European Union

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Finance / Loan Schemes** | | |
| **European Investment Bank** (shareholders are EU member states)<br>▸ **€40bn new financing** - various liquidity enhancing mechanisms available through intermediary banks, including:<br>  ▸ Guarantee schemes to banks based on existing programs for immediate deployment (up to €20bn)<br>  ▸ Liquidity lines to banks to ensure additional working capital support (up to €10bn)<br>  ▸ Asset-backed securities (ABS) purchasing programs to allow banks to transfer risk on portfolios of SME loans (€10bn)<br>▸ **€25bn guarantee fund** - (funded by Member States pro rate their shareholding in the EIB and/or other institutions) allowing EIB to provide existing products to local banks and other financial intermediaries (e.g., guarantee or counter-guarantee instruments) to cover a portion of their loan risk through the existing InnovFin SME guarantee facility and the COSME-Loan guarantee facility | **European private sector SMEs and mid-caps -** under strain from COVID-19<br>▸ Applications filed with participating banks and intermediaries (list will be available on eib.org)<br>▸ InnovFin SME guarantee facility – for research based and innovative SMEs and small / mid caps.<br>▸ COSME-Loan guarantee facility – for SMEs | TBD – but €40bn available immediately<br>Guarantee fund approved on 3 April 2020 (but not in force yet) |
| **European Central Bank** - €750bn pandemic emergency bond purchase program ("**PEPP**"), a temporary asset purchase program (usually by national central banks on behalf of the ECB) until the end of 2020 to fight COVID-19<br>▸ Public Sector/ bonds issued by central governments in the Eurozone<br>▸ Corporate Sector Purchase Program ("**CSPP**")<br>▸ Covered Bond Purchase Program ("**CBPP**")<br>▸ Asset-Backed Securities Purchase Program ("**ABSPP**") | ▸ **CSPP** – Issuer incorporated in EU currency area; €-denominated bonds with IG rating; ECB will purchase up to 70% of the issuance<br>▸ **CBPP** - €-denominated covered bonds eligible as collateral under Eurosystem's monetary policy collateral framework<br>▸ **ABSPP** - Issuer incorporated in Euro area; €-denominated securities with IG rating; must be secured by new or existing claims in non-financial private sector entities at least 95% of which are €-denominated and located in Euro area | 25 March 2020 |

# COVID-19 Response: European Union

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **The European Commission's State aid Temporary Framework to enable Member States and the UK to give:**<br>► Direct grants, tax and payment advantages or other forms such as repayable advances, guarantees, loans and equity up to €800,000 per company<br>► State guarantees for loans taken by companies from banks<br>► Public loans with favorable interest rates<br>► Safeguards for banks that channel support to the real economy<br>► Targeted deferrals of tax payments and/or suspensions of social security contributions (deferral period cannot extend past 31 December 2022)<br>► Targeted wage subsidies (up to 80% of employees' monthly gross salary)<br>► Direct grants, repayable advances or tax advantages for coronavirus related R&D, the construction or upgrade of testing facilities and upscaling infrastructures, and for the production of products relevant to tackle the COVID-19 outbreak<br>► Direct grants, guarantees and loans up to a maximum amount € 3 million per company for 'uncovered' fixed costs (i.e., not covered by profit contribution or other sources such as insurance or other temporary aid measures)<br>► Public short-term export credit insurance relating to a number of jurisdictions previously excluded, including the EEA<br>► Recapitalisation (as a last resort and not exceeding the minimum needed to ensure the viability of the recipient):<br>– Equity instruments, in particular the issuance of new common or preferred shares; and / or<br>– Debt instruments with an equity component (so-called "hybrid capital instruments", in particular profit participation rights, silent participations and convertible secured or unsecured bonds)<br>► Recapitalisation measures are subject to strict rules around State remuneration and exit strategy and impose behavioural restrictions on the beneficiary (e, g around M&A activity and bonus payments). These measures are less stringent if private investors significantly contribute to the recapitalisation alongside the State | With limited exceptions only for companies that entered into difficulty after 31 December 2019 (this rule does not apply to micro and small enterprises) | Adopted on 19 March 2020 (amended on 3 April 2020, 8 May 2020 and 29 June 2020 and 13 October 2020)<br><br>The Temporary Framework is in place until the end of June 2021 except for recapitalisation measures which can be granted until the end of September 2021 |

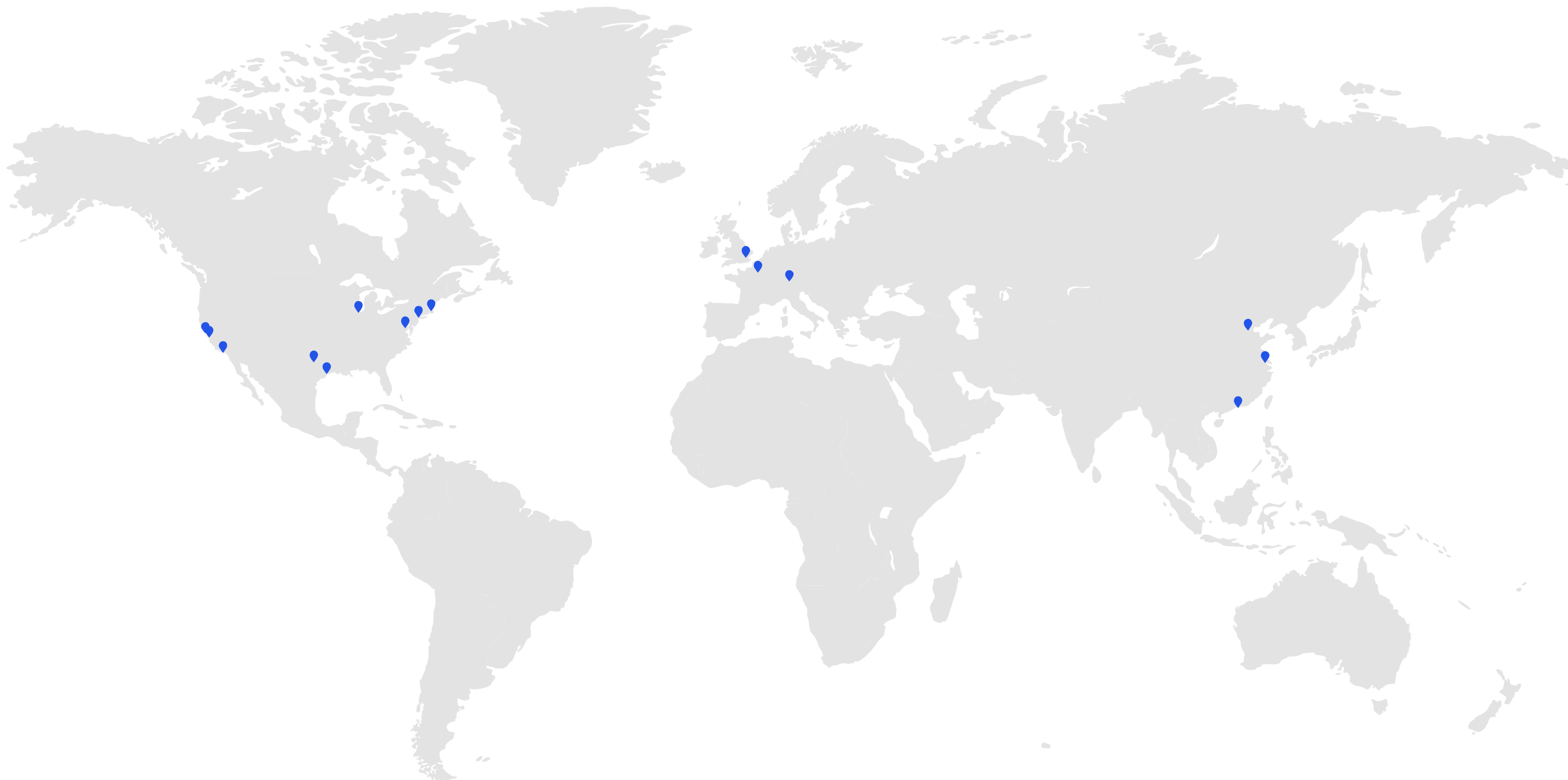
# COVID-19 Response: European Union

| GOVERNMENT MEASURES FOR BUSINESSES | ELIGIBILITY | WHEN? |
|---|---|---|
| **Other** | | |
| **On 21 July 2020, the European Council approved a €750 recovery fund to be funded thorough EU level borrowing (as this fund will come into existence post-Brexit, the UK will not have access to or involvement in this fund)**<br>► The key component is a Recovery and Resilience Facility consisting of €312.5bn in grants and €360bn in loans to be allocated to Member States based on criteria including population, GDP, unemployment levels and the economic harm caused by COVID-19. Payments under the fund are to be conditional on respect of rule of law<br>► 70% of grants to be distributed in 2021/2 with remaining 30% to be distributed in 2023 | ► Member States have to submit plans setting out how they will use the funds and so details on how these funds will be spent and possible beneficiaries will only become clear when these plans are submitted | |
| **“Team Europe Response”** (a €20bn package to support partner countries that combines resources from the EU, Member States and the financial institutions (in particular the European Investment Bank and the European Bank for Reconstruction and Development):<br>► Humanitarian support in affected countries (in support of response plans of the WHO)<br>► Strengthen health, water and sanitation systems as well as partner countries’ capacities and preparedness<br>► Mitigating the immediate social and economic consequences, including support to the private sector with a focus on SMEs, medium-sized enterprises and government reforms to reduce support (via guarantees, liquidity provisions and technical assistance, support to local banks) | ► Eligible countries include: (i) Southern Neighborhood (Jordan, Lebanon, Libya, Morocco, Palestine, Syria and Tunisia); (ii) Eastern Partners (Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova; Ukraine; (iii) Western Balkans (Bosnia and Herzegovina, Montenegro, Albania, Serbia, Kosovo, North Macedonia); (iv) Turkey; and (iv) Africa, Caribbean and Pacific region<br>► Eligible companies include SMEs and medium-sized enterprises in these regions | |

**Notes:**

- This document only summarises key measures initiated or in place on **28 October 2020**.

# International Reach



| | | | | |
|---|---|---|---|---|
| Beijing | Dallas | London | New York | San Francisco |
| Boston | Hong Kong | Los Angeles | Palo Alto | Shanghai |
| Chicago | Houston | Munich | Paris | Washington, D.C. |

# International Reach (Continued)

**Input from local counsel**

Save for in relation to the European Union, France, Germany and United Kingdom aspects of this presentation, which have been prepared by offices of Kirkland & Ellis LLP, all other sections of this presentation have been prepared by the following local counsel law firms:

- Belgium – Loyens & Loeff
- Denmark – Moalem Weitemeyer Bendtsen
- Finland – Avance Attorneys
- Greece – Zepos & Yannopoulos and Karatzas & Partners
- Ireland – Arthur Cox
- Italy – Chiomenti
- Luxembourg – Loyens & Loeff
- The Netherlands – Loyens & Loeff
- Norway – Schjødt AS
- Poland – Schoenherr
- Portugal – Cuatrecasas
- Romania – Wolftheiss
- Spain – Cuatrecasas
- Sweden – Schjødt AS
- Switzerland – Niederer Kraft Frey