




## Policy measures taken against the spread and impact of the coronavirus – 14 May 2020

The table provides a comprehensive overview of measures announced or taken in the Member States so far. The measures (which are not exhaustive) outlined here are happening in a fast changing environment and are subject to being changed and updated/amended. As high uncertainty continues to surround the outcome of the crisis, the final outturns in terms of costings may differ.

The policy measures are classified in the table below according to the following categories: (i) expenditure measures, (ii) tax measures, (iii) sectorial, regional, or measures other than fiscal, (iv) any other measures.

The recording does not prejudice decisions to be taken by national statistical authorities and Eurostat on the statistical recording of measures taken in response to the COVID-19 crisis.

Member State	Type of measure <i>(very briefly describe the measures taken and their estimated budgetary impact)</i>
BE 	<ul style="list-style-type: none"><li>• <u>Expenditure measures</u><ul style="list-style-type: none"><li>- Increased flexibility is applied in the execution of public contracts if difficulties are linked to COVID-19. No sanctions or fines will be imposed for not respecting the agreed deadline.</li><li>- Federal provision to cover additional costs (healthcare, repatriation of Belgian citizens, etc.) has been adopted (EUR 2 bn).</li></ul></li><li>• <u>Tax measures (up to 30/06/2020)</u><ul style="list-style-type: none"><li>- Tax deferrals have been made easier in case of financial difficulties linked to Coronavirus both for companies and the self-employed (applicable to social contributions, payroll taxes, VAT, personal and corporate income taxes). They are assumed not to have a deficit-increasing impact in 2020.</li><li>- Self-employed can also apply for an exemption of social security contributions. Social rights stemming from the activity would not be attributed for the period. Proof of social coverage under other pillars is therefore mandatory. The current estimate of the budgetary cost is relatively small.</li><li>- Several regional taxes have also been postponed (various taxes in Wallonia; Flemish car tax, immovable property tax, inheritance and portability of registration rights; traffic taxes for individuals and companies in Brussels capital region). An exemption of the City Tax in the Brussels Capital Region has been introduced.</li></ul></li><li>• <u>Sectorial, regional measures, or measures other than fiscal (e.g. labour)</u><ul style="list-style-type: none"><li>- Federal: Temporary unemployment due to COVID-19 outbreak can be considered as temporary unemployment due to <i>force majeure</i> up to</li></ul></li></ul>

30/06/2020. Temporary unemployment scheme for economic reasons can also be used by enterprises that experience difficulties related to the spreading of the virus. The procedures have been largely simplified. Up to 30/06/2020, the temporary unemployment benefits (for *force majeure* or economic reasons) have been increased from 65% to 70% of the capped average earnings. Ceiling remains EUR 2.754,76 per month. An additional top-up of EUR 150 gross per month has been added. Lump sum of EUR 1.450 per month made available before the application is processed.

- Federal: The activation allowance for young unemployed is extended for three months.
- Federal: The unemployment benefit allowance due on 1 April is frozen until 30 June. For unemployment benefit rights due between April and June, the phases of degressivity are also extended.
- Federal: Replacement income (so-called *droit passerelle*) is eased in case of activity discontinuity due to the COVID-10 outbreak for self-employed individuals, partial self-employed, retired self-employed, and self-employed already benefiting from another replacement income. An interruption of 7 days is enough to claim the full monthly benefit amounting to EUR 1.291 (without family burden) EUR 1.614 (with family burden). The current rules apply until end of May.
- Flanders: Allowance for companies and self-employed forced to close due to security measures (so-called *Hinderpremie*) is paid as a one-off payment of EUR 4.000 in case of a complete closure and of EUR 2000 if the closure is partial. In both cases, a daily payment of EUR 160 is added after 21 days of closure. The amounts are exempt from corporate income tax.
- Flanders: Compensation premium of EUR 3.000 for companies and self-employed not forced to close their activity due to COVID-19 but with a turnover reduction of more than 60% between 15 March and 30 April compared to the same period last year is paid. Additional conditions for self-employed The amount is exempt from personal and corporate income tax.
- Flanders: All temporary unemployed in Flanders will automatically receive EUR 203 to support their water and energy costs for a month.
- Flanders: Extension of the existing support scheme for part time work to companies in difficulties due to COVID-19 outbreak.
- Flanders: Youth and social tourism industry are subsidised further. Subsidised sectors (e.g. culture, sports, youth) and other specific sectors (e.g. horticulture, tourism, mobility) will also be able to recover losses through the emergency fund of EUR 200 mn. A higher wage premium of 4% to employees in sheltered workshops. In local services sectors, a one-off protection premium of € 50 or €100 per employee is paid.
- Flanders: Childcare and education sectors are compensated for income losses. In particular, creches are compensated with EUR 27 per a non-attending child, per day. Outside school childcare and family support are supported. Cancelled individual professional training are also compensated.
- Flanders: Support to care sector (residential and day care, home help, handicapped care sector, vulnerable young persons and children) is provided. Income losses are compensated. In the case of residential care, temporary hiring of additional nurses is supported. Financial support to projects and organisations taking care of vulnerable youth is provided.
- Flanders: The subsidy to service voucher companies who remain active increases. The services vouchers expiring between March and June are extended to July.

- Flanders: Small support measures for the private and social rental market. Flanders: Additional health-related spending concern procurement of extra masks, other care material, contact tracers and a communication campaign on COVID-19.
- Wallonia: A one-off allowance for small companies from a number of sectors (restaurants, hotels, travel, events, retail stores, culture) forced to completely or partially close due to security measures is paid. The premium amounts to EUR 5000 in case of a complete closure and to EUR 2500 if the closure is partial. A new lump sum allowance of € 2500 is introduced for self-employed and companies with substantially reduced activity in March and April. The measure also concerns self-employed benefiting from full bridging right in March or April.
- Wallonia: Enterprises in the care sector with decreasing revenues (e.g. family help, creches, mental health services, service voucher, adapted work enterprises) can benefit from a one-off premium of EUR 5000 covering a period of three months.
- Wallonia: Households can benefit from gas- and electricity bill supports (EUR 75 and 100 per household, respectively). For temporary unemployed a premium of € 40 per person for water expenditure is paid. Limitation of water supply during April and May is prohibited. Funding for social water services is increased. Additional facilities for self-employed and companies to pay water bills are introduced.
- Wallonia: Additional spending on health-related concern purchase of masks, contact traders, medical equipment and support for hospitals, rest homes, homeless and vulnerable facilities.
- Wallonia: Grants to local social services are increased. Support to social housing sectors is also provided by deferring loans due by social housing companies without interests for the period of deferral.
- Wallonia: Up to 80% of costs of industrial or experimental research projects related to Covid-19 are reimbursed.
- Wallonia: A provision to relaunch the economy while supporting the transition towards a more circular and local oriented economy has been announced. It is meant to finance first realisation of the Transition Plan.
- Wallonia: Financial support to local authorities is provided, notably for purchases of masks.
- Wallonia: Funds for a possible calling in of lean guarantees are reserved.
- Brussels Capital Region: A one-off of EUR 4000 allowance is granted for companies forced to close in selected sectors (restaurants, bars, hotels, travel agencies, retail stores, leisure and sports activities).
- Brussels Capital Region: A one-off premium of € 2000 for small enterprises (below the threshold of 5 full-time equivalent workers) and self-employed suffering from substantial reductions in turnover due to Coronavirus.
- Brussels Capital Region: Fund of EUR 29 mn for support to care sector (rest homes, disability sectors) was created.
- Brussels Capital Region: Additional support to care sector and service voucher enterprises is provided. Top-up of EUR 2.5 per hour of temporary unemployment allowance, one-off premium of EUR 4000 to service voucher companies and an increased subsidy for service voucher companies to ensure security to domestic workers.
- Brussels Capital Region: Low-income tenants renting on the private housing markets and hit by income loss are eligible for a premium of EUR 215.
- Brussels Capital Region: Research projects related to COVID-19 are eligible for a

- subsidy.
- French Community: Support is provided to sectors hit by the containment measures (e.g. culture, social, education, youth, sports) amounting to EUR 80 mn.
  - German community: Support is provided to sectors hit by the containment measures (e.g. culture, social, education, youth, sports) amounting to EUR 10 mn.
  - Joint Community Commission: Various support measures are planned, of which purchase of contact tracers in Brussel.
- Other
    - The federal government, the National Bank and the major banks convened EUR 50 bn of loan guarantee for companies, self-employed and households in financial difficulties.
    - Free repayment extension until 30.09.2020 for existing mortgages and loans to financially viable businesses and self-employed, if proof of liquidity difficulties due to crisis.
    - Flanders: guarantees for bridge loans and/or loans amounting to EUR 1.6 bn through Flemish promotional bank PMV.
    - Flanders: deferral of payment of loans to Flemish social housing companies without interest for the period of deferral.
    - Wallonia: guarantees for bridge loans and/or loans amounting to EUR 350 mn. All interests paid on loans granted by public entities are deferred by three months (with SRIW, GROUPE SOGEP, SOWALFIN, invests).
    - Brussels capital region: guarantees for bridge loans and/or loans amounting to EUR 20 mn. Possibility of reduced interest rate loans from Finance&Invest Brussel.

BG



- Expenditure measures
  - Additional expenditure in the amount up to BGN 17.6 mln (EUR 7.3 mn) was approved under the budget of the Ministry of Health for 2020 to ensure preparedness for preventive and anti-epidemic actions as well as an effective response to the COVID-19 epidemic situation.
  - The government increased from 15% to 30% the available limit from the reserve fund for dealing with disasters (totalling BGN 80 mln or EUR 40 mn). The limit could be subject to future change.
  - The government will support companies with proven impact from the epidemic by covering 60% of the employees' wages and social security contributions for up to three months. BGN 1 bn (EUR 500 mn) were allocated for this measure.
  - The tourism and transport sectors will receive special anti-crisis assistance, and the "60/40" employment support measure may become "80/20" for the sector.
  - Additional expenditure totaling BGN 161 mn (EUR 80 mn) was approved for police and firefighting and BGN 168 mn (EUR 84 mn) for military personnel in order to assist the implementation of the restrictions inland and on the borders of the country. .
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  - Extending payments to handicapped whose status has to be confirmed during the state of emergency, by the end of it – BGN 2 mn (EUR 1 mn) per month.
  - The capital of the state-owned Bulgarian Development Bank is increased by up to BGN 700 mn (EUR 350 mn), of which BGN 500 mn (EUR 250 mn) will be used to issue portfolio guarantees to commercial banks to enable them to provide

more flexible business loans for a specified period under certain conditions and individual case-by-case assessment. BGN 200 mn (EUR 100 mn) will be used to guarantee interest-free consumer loans up to BGN 1500 (EUR 750).

- There was an amendment to the State Budget Law for 2020 in order to address the COVID-19 response and the economic deterioration. The newly budget (cash) deficit is estimated to be about BGN 3.5 bn (3% of GDP). The amendment of the budget envisages an increase of the limit for new debt issuance from BGN 2.2 bn to 10 bn.
- Tax measures
  - The deadline for annual financial statements will be postponed from end-March to end-June (estimated BGN 400 mn/EUR 200 mn impact within the year).
  - The deadline for annual tax declarations and tax payments could also be postponed from end-April to end-June.
  - VAT for restaurants and entertainment establishments in the tourism sector will be reduced to 9% as of 1 January 2021.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
  - Kindergartens, schools and universities have been closed during the state of emergency. Schools will remain closed until the end of the school year.
  - Employers were recommended to prepare action plans for extraordinary circumstances in accordance with the guidelines issued by the National Operative Unit.
  - The government banned the export of protective medical gear until the necessary quantities are provided.
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  - Employers may, without employees' consent, introduce work from home or send employees in paid annual leave for half of the entitled period, which in most cases means 10 days.
  - A financial package from the EU structural funds totalling BGN 870 mn (EUR 435 mn) will finance the socio-economic measures, including additional remunerations for medical and non-medical staff and financial support to SMEs.
  - During the state of emergency, salaries of members of parliament, ministers, and members of their political cabinets will be transferred to support funding of the healthcare system.
  - Subsidies to political parties have been frozen during the state of emergency (BGN 3.9 mn/ EUR 2 mn).
  - The Ministry of Tourism is working on a package of measures against possible bankruptcies in the tourism sector, including the issuance of travel vouchers, valid for up to two years.
  - The Bulgarian National Bank announced a package of measures of BGN 9.3 bn (EUR 4.76bn), which aim at maintaining the resilience of the banking system and enhancing its flexibility to reduce the negative effects of the constraints on citizens and businesses. They include: i) Capitalisation of the full volume of profit in the banking system at the amount of BGN 1.6 bn (EUR 0.82bn). ii) Cancellation of the increase of the countercyclical capital buffer planned for 2020 and 2021 with a total effect of BGN 0.7 bn (EUR 0.36 bn). iii) Increasing the liquidity of the banking system by BGN 7 billion (EUR 3.58bn) by reducing foreign exposures to commercial banks.
  - The Bulgarian National Bank has imposed a temporary moratorium on bank loans repayment, following the EBA Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis

(EBA/GL/2020/02).

- The state Fund Manager for Financial Instruments in Bulgaria announced a new package of measures to support various business and public groups through financial instruments. The Fund will provide bank guarantees in of BGN 170mn (EUR 87mn), which should serve to secure a loan portfolio of up to BGN 850mn. Loans under the scheme will have a term of up to 10 years and the possibility of interest-free loans as well as quick and easy access through the banks is being discussed. Other measures include increasing the scope and providing easier access to already existing financial instruments.
  
- Other
  - On 13 March the Parliament announced state of emergency until 13 April. The state of emergency has been extended until 13 May.
  - Restrictions to public life were imposed during the state of emergency, having impact on the following sectors:
    - Retailers in shopping malls, excluding food, beverage and cigarette dealers
    - Different types of passenger transport
    - Hotels and similar accommodation
    - Tourist and other short-term accommodation
    - Fast food restaurants and establishments
    - Drinking establishments
    - Movies and theatres
    - Travel agency and operator activity; other travel and booking activities
    - Artistic and creative activity
    - Other cultural activities
    - Sports and other recreational activities
    - Activities to maintain good physical condition.
  - As of 4 May, the ban on open air sports, practiced individually, has been lifted. As of 6 May open air cafes and restaurants are reopened subject to social distancing and hygienic requirements.
  - As of 6 May free movement between cities is allowed. The access to natural parks is also re-established.
  
  - A ban on open-air gatherings is imposed.
  - Foreigners from third countries, as well as from 12 European countries (Italy, Spain, France, Great Britain and Northern Ireland, Germany, the Netherlands, Switzerland, Austria, Belgium, Iceland, Liechtenstein and Luxembourg) - are being banned from entering Bulgaria.
  - Public procurement procedures will not be required for the purchase of medical supplies and personal protective equipment, medical and laboratory equipment, as well as for the incineration of medical waste
  - No restrictions shall be imposed on bank accounts of individuals and medical establishments, on salaries and pensions, on medical equipment, as well as on the inventory of movable property and real estate owned by individuals.
  - The consequences of late payment of obligations to private entities, including interest and penalties for late payment, as well as non-monetary consequences, such as early demand for payment, contract termination and seizure of property, are temporarily abolished.
  - The deadline for payment of electricity bills have been extended from 10 to 20 days and then to 30 days, which can be changed by order of the Minister of

Energy.

- The requirement for children to go to school in order to receive social assistance is abolished, as schools are currently closed and training is online.
- The government considers creating kindergartens for the children of frontline workers against the coronavirus.
- Unemployed are allowed to work in agriculture without losing their unemployment benefits.
- Government continues the implementation of the key public infrastructural projects.
- Special measures have been taken to support local producers of food while introducing targeted promotion for them in the big chain supermarkets.

CZ



- Expenditure measures
- As of 22 April, the central government said it mobilised around 120 billion CZK (2.2% of GDP) on COVID-related expenditure and almost 100 billion CZK (1.8% of GDP) on COVID-related tax deferrals
- The Parliament approved on 26 March a revision of the state budget, increasing the deficit from 40 bn CZK to 200 bn CZK (3.6% of GDP). On 20 April, the government further revised down the deficit to 300 bn CZK (5.5% of GDP), pending legislative approval.
- The Parliament adopted an amendment of the law on fiscal responsibility, which allows the Ministry of Finance to propose a structural budget deficit for 2021 of up to 4% of GDP from the current 1%.
- On 30 March the government presented the “Antivirus” programme to compensate both employers and employees for the wage costs for periods of quarantine or emergency measures. job-saving plan (Kurzarbeit). Wage compensations will be provided for the period 12 March-31 May as follows:
  - Option A (for those in quarantine and of those who work for businesses ordered to close): The state will pay 80% of the super-gross wage, the cap is 39,000 CZK
  - Option B (companies that closed due to sales, supply or staffing problems): 60% of the super-gross wage, up to 29,000 CZK On 23 March, the government significantly expanded the programme.
- The care payment ('osetrovne') for parents of kids from 6 to 13 years of 424 CZK per day will be paid during the whole state of emergency. The subsidy was increased in late April from 60% of the base pay to 80%, retroactive to April 1
- On 7 April, the government adopted a one-off support to every self-employed amounting to 25,000 CZK to each person subject to given conditions. The government decided on 20 April to extend the CZK 500/day subsidy to the self-employed beyond April 30, until all restrictions are lifted (currently scheduled for 8 June), or until August 31 at the latest.
- The government approved to increase the state payment for health insurance of state insures by 500 CZK as of 1 June and by additional 200 CZK as of 1 January 2021.
- The self-employment will be exempt from social and health insurance payments from March until August 2020 (2.5 billion CZK per month).
- The government approved on 26 March a support of CZK 3.3 bn to farmers, foresters and food producers in order to ensure self-sufficiency in food supply.
- Around 1 billion CZK is paid per week for supplies of protective material.
- The lower House approved a subsidy for micro-companies (“limited liability”,

s.r.o.) for the period of 12 March 12 – 8 June.

- The Ministry of Regional Development plans a voucher program called “Vacation in Czechia” to support domestic tourism in the summer season. Vouchers for lodging and food could be up to 10,000 CZK. The state, the employer and the employee would each pay a part of it.
- The government boosted the State Transport Infrastructure Fund by 6.5 bn CZK for maintenance and renovation of road and railway infrastructure to foster fading construction activity.
- The government agreed to cover 50% of the rent of businesses which had to close due to government measures, provided the landlord agrees to a 30% reduction in the rent. The tenant would pay the other 20%. The scheme should apply to rents for April-June and is expected to help 150,000-200,000 businesses
  
- Tax measures
  - The government adopted on 23 March the covid-19 two “liberation” packages, pending legislative approval.
  - Liberation Package I – authorities will not impose fines for late submission of personal and corporate income tax return, for late payment of a tax claim and for late submission of control tax reports.
  - Liberation Package II – there will be a waiver on the advance on personal and corporate income tax in June; authorities will not impose fines for late submission of real estate property tax return; suspension of the obligation to electronically record sales for entities in all phases of EET until the end of 2020
  - The government decided to allow a two-year loss carry-back, with a direct impact on the direct tax receipts in 2021.
  - The government abolished the 4% real estate acquisition tax to boost the housing market. .
  - The government may propose a 3-month deferral of toll payment and a 6-month deferral of road tax payment in order to support road transport companies.
  
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
  - The total amount of new state guarantees amount to around 300 billion CZK as of May - 150 bn for large enterprises and 150 bn for SMEs and mid-caps. By mid-May, 8 billion CZK were disbursed.
  - There is a targeted support to agriculture, forest and food industry such as postponement of commercial loan payments and guaranteed support for business operation. EU funds will be used to that effect (3.3 billion CZK released for the 2020 Rural Development Program).
  - The Czech National Bank lowered the interest rate three times from 16 March at 0.25%. It also lowered the Lombard rate and the discount rate.
  - The Law of the Czech National Bank, in order to expand the range of monetary policy instruments as well as the range of entities with which the CNB can enter into open market transactions, allowing the CNB to buy government bonds, corporate bonds and also high-risk debt until end-2021.
  - The Prague City Council envisages to forgive rent in city-owned properties and provide financial support of up to CZK 45,000.
  - Cross-border workers were heavily restricted in March and April. Commuters to Germany (~37,000) and Austria (~12,000) had to enter quarantine every time they returned to Czechia.



- As of April, small businesses can defer their rent payments until the end of June by up to two years if they had to close because of government restrictions.
- The Parliament approved an amendment of the Insolvency Act which prevents creditors to file a bankruptcy against a company by the end of August. Besides, the company's management would not be obliged until February 2021 to file for insolvency if it could not meet its obligations.
- The government halted all personal debt seizures that have not resulted in a collection for three years. People under seizure orders will be able to ask for a deferral of payments.
- The central bank CNB relaxed the rules for getting a mortgage to soften the impact on the economy.
- The Parliament approved a rent deferral for businesses until 30 June and for individuals until 31 July. The deferred payments would be due by the end of 2020.
- The Parliament approved a cap on the interest on consumer loans past due for more than 90 days and a limit cap on the late-payment fee for self-employment loans (0.1% per day)
- The Parliament approved a law allowing deferral of loan and mortgage repayments for three or six months for individuals and companies who declare their payment ability was affected by the coronavirus crisis. There is also a deferral of interest payments for consumer loans.
- Authorities allowed travel agencies to issue vouchers to customers for trips between Feb. 20 and Aug. 31 that were cancelled because of COVID-19. If a voucher is not used for another trip before Aug. 31, 2021, a refund to the customer will be required.

The government put in place on 14 April a strategy for phasing-out some of the restrictive measures, mostly concerning reopening of schools, shops and institutions. These restrictions will be lifted gradually between 20 April and 8 June, when most shops may reopen. The plan depends on the epidemics development and may be reviewed or put on hold depending on circumstances. The plan was advanced after a decision of the Prague Municipal Court cancelled the initial confinement measures imposed by the Ministry of Health that restricted free movement of people as well as retail sales and services. On 24 April, these measures were re-issued as government decrees with advanced deadlines.

DK



- Expenditure measures
  - Temporary compensation scheme for the self-employed and freelancers
  - Temporary compensation for fixed costs of businesses
  - Restrictions on access to maximum social benefits temporarily lifted
  - Unemployment and sickness benefits
  - Temporary wage compensation scheme
  - Sickness benefit reimbursement to employers
  - Pool for initiatives for employees in case of large-scale redundancies and deregulation regarding distribution of work
  - Measures underpinning exports and investments, including guarantees
  - National platform for crowdfunding
  - Innovation Fund "Innobooster" temporarily increased
  - Danish Business Authority strengthened
  - Compensation scheme for the cancellation of major events following COVID-19 – (initially announced March 10th 2020 for events over 1.000 participants and over 500 for specific risk groups)

- The Danish government has established a "Government and Business corona unit" in collaborations with relevant business organizations and labour market organisations to address sectoral economic distress (announced March 10th 2020).
  - o A first outcome of the unit is the announcement of guarantee schemes for companies affected by COVID-19, e.g. SMEs (announced March 12th 2020).
- More flexible work-sharing arrangement (arbejdsfordelingsordningen) (announced on March 12th 2020)
- Increased funding for early notice scheme (varslingspulje) (announced on March 12th 2020)
  
- Financial measures
  - Guarantees for SMEs and large enterprises
  - Match financing from the Danish Growth Fund
  - Release of the countercyclical capital buffer to support the financial system (announced March 12th 2020)
  - Danish Travel Guarantee Fund
  - EKF (the Danish export credit agency) (liquidity guarantee)
  - Guarantees to SAS from the Danish state
  - Student loans
  
- Tax measures
  - Extension of companies' payment deadlines of VAT (announced March 10th 2020).
  - Extension of companies' payment deadlines of employers' labor market contributions [AM-bidrag] and income tax [A-skat] (announced March 10th 2020).
  - Earlier payment of public procurement
  - Earlier repayment of tax credits
  
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
  - National disaster planning has been activated for several scenarios.
  - Suspension of budgetary restrictions on investment, etc, for regions and municipalities.
  - Students from all public educational institutions (secondary and higher education) were sent home by March 13, 2020 provisionally for two weeks. Private institutions are encouraged to follow the same example (announced March 11th 2020).
  - Public primary schools and day care closes on Monday, March 16th, 2020, provisionally for two weeks. Private institutions are encouraged to follow the same example. Municipalities are to establish emergency care for children (announced March 11th 2020).
  - All public employees who do not perform critical functions (police, health care ect.) are required to work from home by March 13, 2020 provisionally for two weeks. Private employers are encouraged to require employees to work from their private home, if possible, make use of remaining vacation, or adapt work place for continued production (announced March 11th 2020).
  - All indoor cultural institutions, libraries, leisure facilities, etc. closes on

- March 13, 2020 provisionally for two weeks (announced March 11th 2020).
  - Limited use of public transport (e.g. requirements on seat reservation, avoid travel during rush hour) (announced March 11th 2020).
  - Prohibition of public gatherings of more than ten persons
  - Closure of restaurants, bars, etc until 13 April
- Other
    - Stricter restrictions when visiting hospitals and nursing homes etc. on March 11th 2020 (announced March 11th 2020).

DE



- Expenditure measures
  - Additional health sector expenditure totalling € 6.3 bn: Financing of emergency measures of the German public health institute (“Robert-Koch-Institut”) and the World Health Organization; financing of emergency measures to purchase protective equipment and to raise public awareness; further coronavirus R&D expenditures; expenditures for increasing hospital capacity.
  - Extension of the federal guarantees for loans provided by our promotional bank “KfW” to the corporate sector. The volume of Federal guarantees will not be limited. Several aspects of the programmes (% of loan covered by the Federal guarantee, use of funds, loan duration, eligibility criteria etc.) are broadened significantly and the KfW instant loan (KfW Schnellkredit) was added.
  - The federal government will guarantee up to € 30 bn in compensation payments of credit insurers.
  - Establishment of an Economic Stabilization Fund targeting the real economy - i.e. corporations excluding banks. The fund is administered by the German Finance Agency (Finanzagentur). To qualify for investments or guarantees, companies have to meet 2 of 3 criteria (revenues exceeding € 50 Mio., balance sheet volume exceeding € 46 Mio. or employees exceeding 249) or be declared as significant for the economy or security or if they are active in specified sectors. The Fund is comprised of three concrete pillars. The first pillar with a volume of up to € 100bn consists of a recapitalization instrument, which has equity instruments (direct equity, convertibles, hybrids, silent participations) at its disposal to invest if and when the need arises to stabilize a corporation. The second pillar provides guarantees that complement the KfW programs. It utilizes an authorization to the Economic Stabilization Fund to extend guarantees of up to € 400bn covering debt securities of eligible corporations, with a flexible definition of debt securities. Maximum duration of the guarantees is 5 years. A third pillar is an authorization to provide up to €100bn of additional financing to KfW, if needed for the funding of the loan programs of KfW outlined above.
  - Establishment of a program of direct grants to the approximately 3 million small business owners. The programme has a volume of € 50 bn. Eligibility is defined as having up to 10 employees, and there will be one-off payments ranging from € 9.000 to € 15.000 depending on the size of the respective businesses, in particular to cover recurring expenses such as rents. Applicants will have to submit evidence demonstrating that their economic survival is at risk, and that they were not in financial trouble before the pandemic broke out. The Länder are in charge of implementing the program, many of them have set up their own assistance programmes

- (see below), which can be combined with federal assistance.
- The measures taken will have a significant impact on the budget. The German parliament has authorized € 122.5 bn of additional spending funded by € 156 bn € of credit authorizations. The balance between these numbers of € 33.5 bn is due to the impact of tax measures taken to improve liquidity in the German corporate sector on the one hand and lower expected tax revenues as a result of the economic slowdown on the other hand. These numbers imply that we will exceed the regular maximum amount of new debt under our constitutional debt brake. However, the parliament has recognized an extraordinary crisis situation, which activates a clause which is foreseen under Article 115 of our constitution.
- Tax measures
    - Facilitating tax deferrals and reduction of tax prepayments as well as suspension of enforcement measures to improve the liquidity of companies that are directly hit by the effects of the coronavirus epidemic
    - General Directorate of Customs was instructed to make similar concessions vis-à-vis the payers of taxes falling into the responsibility of the customs authority (e.g., energy tax, air transport tax )
    - Employers can pay their employees subsidies and support up to an amount of € 1500 in 2020 tax-free or as wages in kind. This is subject to the condition that allowances and benefits are paid in addition to the wages owed in any case.
    - Due to both, the impact of tax measures taken to improve liquidity in the German corporate sector and lower expected tax revenues resulting from the economic slowdown, a significant reduction in tax revenues is expected. Based on provisional interim figures, this reduction of tax revenues is estimated to amount to € 33.5 bn at the federal level, € 34.1 bn at the state level, and € 14.1 bn at the local level.
  - Sectorial, regional measures, or measures other than fiscal (e.g. labour)
    - More flexible short-time working scheme (“Kurzarbeitsgeld”) (lowering the requirements for and increasing the generosity of the short-time working scheme) to avoid and reduce lay-offs. The short time working scheme now also covers temporary workers and allows reimbursements of social security contributions by the Federal Labour Office (“Bundesagentur für Arbeit”). These enhancements entered into force on 1 March 2020 with a retroactive effect and have an estimated effect of € 10.1 bn on the budget of the Federal Labour Office.
    - Access to basic income support is temporarily eased and generosity is partly increased. The benefits will be approved provisionally and paid out very quickly. These measures and the business cycle related increase in basic income support are expected to lead to additional spending amounting to € 7.5 bn at the federal and € 2.1 bn at the local level.
    - Low-income families receive additional support through increases to child support allowances and easier access to minimum social support schemes
    - Temporary relief to protect tenants from eviction due to income losses in the current situation
    - Provisions to avoid technical insolvency procedures in temporary liquidity difficulties by extending the relevant deadlines
    - In addition to the measures on the federal level, the “Länder” have taken a wide range of measures, including most prominently liquidity support and

immediate assistance programmes. In sum, for the group of 16 “Länder” this will have a budgetary impact of € 31.1 bn, while the expansion of guarantees provided by the “Länder” amounts to € 63.2 bn.

- Other

EE



- Expenditure measures
  - 70% of the previous income will be ensured for people who lost their jobs due to indirect impact of the outbreak, 250 mln
  - Additional funding to healthcare, total 286 mln
  - The payment of state compensation for the first three days of illness to persons on sick leave (currently no income for the first 3 days of illness), 7 mln
  - Public investments, 144 mln
  - Local governments, 70 mln
  - Education, 15 mln
  - Culture, 25 mln
  - Stopping payments to the 2 pillar pension funds, savings of 142 mln in 2020.
  - Social support, 11 mln
- Tax measures
  - Tax deferrals, lower interest on tax debt, 148 mln
  - Tax cuts for excises on electricity, gas and diesel, 135 mln annually
  - Tax cuts for shipping, 37 mln
- Guarantees and loans
  - State guarantees to companies having loans and other credit obligations, administered via state agency Kredex and Rural Development Agency:
    - State guarantees for existing bank loans of companies (EUR 1.5 billion).
    - Working loans to overcome the liquidity problems (EUR 500 million)
    - Investment loans to take advantage of the new business opportunities (EUR 50 million).
    - Farmers and rural businesses can apply for a guarantee (total amount EUR 50 million), a working loan (total amount EUR 100 million) or land capital (total amount EUR 50 million).

IE



- Expenditure measures
  - Since 9<sup>th</sup> March to date, the Government has agreed a **package of measures costing c. €6.8 billion** (2.2% GDP) to deal with the public health and economic impact of the coronavirus. On 9<sup>th</sup> March and 24<sup>th</sup> respectively, the Government announced a suite of labour support measures that will cost approximately €4.5 billion over a 12 week period. Together these packages of measures cover:
    - **Supports for people**
    - People affected by coronavirus will receive sick pay of €350 per week (up from the weekly payment of €305 originally announced on 9<sup>th</sup> March) from their first day of illness under a new initiative announced by the Government.
    - In addition to the Illness Benefit payment of €350 as a result of COVID-

19 for those who are medically certified, there is also a COVID-19 Pandemic Unemployment Payment, originally set at a rate of €203 p/week for people currently not in work due to the COVID-19 pandemic. On March 24<sup>th</sup>, this was increased to €350 p/w.

- Also on 24<sup>th</sup> March, the Government announced a Temporary COVID-19 Wage Subsidy Scheme. The scheme will provide the payment of income supports to employers in respect of eligible employees on their payroll where the employer's business activities have been negatively impacted by the COVID-19. It is available to employers from all sectors and while employers are encouraged to contribute, there is no obligation on employers to top up the subsidy. Under the scheme, an eligible employer will be supported in the order of 70 per cent of an employee's net income and the maximum weekly payment will be €410. On 15<sup>th</sup> April, the Government announced changes which increase the subsidy for those earning less than €500 net per week as well as a graduated subsidy level for those earning in excess of an indicative average wage of €38,000 per annum. Under the changes announced, the scheme will also be extended to higher-paid workers, i.e. those earning over €76,000 per annum who have suffered a reduction of more than 20% of salary in order to reduce the number of people being laid off.
- To improve the processing of claims, the Government decided to temporarily increase the Qualified Adult rate on certain schemes to €147 per week to bring the standard payment for these schemes to €350 for a two adult household.
- On 31<sup>st</sup> March the Government agreed to extend the Fuel Allowance season by four weeks from Friday 10<sup>th</sup> April to Friday 8<sup>th</sup> May to support current recipients in relation to additional heating costs when many households, particularly vulnerable groups such as older people, are recommended to self-isolate.
  
- **Supports for Business**
- The Government has provided additional Exchequer funding of c €¼ billion to support liquidity measures of approximately €1 billion in total. These measures include the following:
  - A Sustaining Enterprise Fund of up to €180 million. This is specifically aimed at firms with 10 or more full-time employees that are impacted by COVID-19 and are vulnerable but viable businesses. The Fund will be operated by Enterprise Ireland and IDA Ireland, providing repayable advances of up to €800,000 in accordance with new EU State Aid rules.
  - €450m in lending under the SBCI COVID -19 Working Capital Loan Scheme. Loans can be between €25,000 and €1.5m at a maximum interest rate of 4%. Loan terms range from 1 to 3 years
  - An additional €200m in COVID-19 funding for the Future Growth Loan Scheme to provide longer term loans to COVID-19 impacted businesses. [These are in addition to the €150m of funding capacity in the Government's Credit Guarantee Scheme – see below]
  - MicroFinance Ireland has increased its potential loan threshold from €25,000 to €50,000 with terms that include a six months interest free and repayment free moratorium. On 8 April, expansion of Microfinance Ireland funding by €13 million to €20 million for COVID-19 loans with interest rates dropped from 7.8% to 4.5%.

- The Credit Guarantee Scheme (operated by the SBCI since 2018) has been repurposed and will be provided by the pillar banks to affected firms. Loans of up to €1 million are available.
  - Extension of supports for online trading for business with over 10 employees - €2million and free mentoring as well as free online training for all businesses
  - The full range of already existing Enterprise Ireland, IDA Ireland, Local Enterprise Office and Údarás na Gaeltachta grant supports will be available to firms affected by COVID-19 to help with strategies to innovate, diversify markets and supply chains and to improve competitiveness, for example:
    - The €2,500 Trading Online Voucher Scheme for microenterprises is being expanded - an additional €3.3m is being provided to the scheme bringing the total available to €5.6m. The scheme is also being made more flexible - allowing businesses to apply for a second voucher of up to €2,500 (with match funding requirement reduced to a ratio of 90:10) where they have successfully utilised their first one; and allowing subscriptions to low-cost online retailing platform solutions to quickly establish a retailing presence online.
    - A new €2m COVID-19 Retail Online Scheme is being made available through Enterprise Ireland for indigenous retail businesses with over 10 employees.
    - Strategic Consultancy Grant - for SME's to assist the company development of a strategic response plan
  - **€180m Sustaining Enterprise Fund**
  - This is specifically aimed at all firms with 10 or more employees in the manufacturing and international services sectors impacted by COVID-19 that are vulnerable but viable.
  - The Fund will be operated by Enterprise Ireland, providing repayable advances of up to €800,000 as agreed with the EU under new State Aid rules and, together with leveraged lending from the financial markets, should see up to €500m of additional investment in vulnerable but viable firms. These grants will only be repayable if and when a business returns to financial good health.
  - **Supports for Business planning**
  - Business Financial Planning Grant from Enterprise Ireland to the value of €5,000 to assist companies to develop a Business Sustainment Plan and to engage the services of an approved Financial Consultant
  - A new €2,500 LEAN Business Improvement Grant from Enterprise Ireland and IDA Ireland to help companies quickly access expertise to review and optimise operations at a time of crisis and identify the key measures needed to ensure continued viability.
- Other ancillary supports include:
- Act On Initiative - providing access to 2 days consultancy engagement at no extra cost to access Financial Management, strategic sourcing and transport and logistics advice
  - Key Manager Support - to provide partial funding towards the recruiting of a Full or Part time Manager with critical skills for future growth

- Agile Innovation Fund and Operational Excellence Offer
- Be Prepared Grant - designed 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.
- The Business Process Improvement Grant - used to support short to medium term company projects that improve efficiencies and business process improvements. Specific E-marketing support is available through this grant to develop and enhance your company's capability to use the internet as an effective channel for business development.

- **Healthcare**

- In total, almost €2 billion is to be provided to support the health service in scaling-up and maximising its capacity to meet this unprecedented challenge.
- The initial package announced on 9th March, provided for an additional €435million in 2020 for the HSE to scale-up its actions. The package covered the freeing-up of space in hospitals, the centralization of procurement of protective gear and an increase in home testing and remote management of patients. The latter will imply that costs for remote Covid-19 triage consultations with general practitioners (GPs) for all patients (including private ones) will be assumed by the Health Service Executive (HSE) and not by the patients.
- The HSE has allocated €26.2 million to expand the Intensive Care Unit (ICU) capacity with 30 new ICU beds, and 27 existing beds upgraded to ICU status.
- A further package provides for the HSE to scale-up its response actions and maintain service levels at community level, particularly for vulnerable people. Further additional measures underway include expanding capacity in public hospitals, developing primary and community-based responses and procurement of additional essential equipment.
- Separate to this, the Government has agreed to a Temporary Assistance Payment to private and voluntary nursing homes, to support older and vulnerable residents within a nursing home setting, thus reducing the pressure on acute hospitals.
- In addition, the HSE has reached an agreement with private hospitals for the use of their facilities on a cost-only model for a period of six months.

• Tax measures

- Since 13<sup>th</sup> March, the Revenue Commissioners (Irish tax and customs administration) has outlined some key advice and actions taken to assist businesses experiencing cash flow and trading difficulties arising from the impacts of the virus.
- Revenue will continue to prioritise the approval and processing of repayments and refunds, primarily VAT repayments and PSWT refunds, to taxpayers.
- Early payment of 2020 instalments of excess Research and Development (R&D) Tax Credits.
- Taxpayers (individuals and businesses) should continue to file their tax



returns even if payment of the resulting liabilities, in whole or in part, is not possible. Where, due to the virus, key personnel that compute tax returns are unavailable, Revenue strongly advise that the relevant return is submitted on a 'best estimate' basis.

- The application of a surcharge for late Corporation Tax returns and iXBRL financial statements (where applicable) for accounting periods ending June 2019 onwards (i.e. due by March 23, 2020 onwards) is suspended until further notice.
  - *Debt management:*
  - All debt enforcement activity for SMEs is suspended until further notice.
  - The charging of interest on late payments for SMEs is suspended for March/April VAT and April PAYE (Employers) liabilities. This is in addition to the earlier announcement that the charging of interest on late payments is suspended for January/February VAT and both February and March PAYE (Employers) liabilities.
  - Businesses, other than SMEs, who are experiencing difficulties in paying their tax liabilities are encouraged to contact Revenue
  - *For SMEs*
  - Tax Clearance: current tax clearance status will remain in place for all businesses over the coming months.
  - *For subcontractors*
  - RCT (Relevant Contract Tax): the RCT rate review scheduled to take place in March 2020 was suspended. This process assesses the current compliance position of each subcontractor in the eRCT system and determines their correct RCT deduction rate, i.e. 0%, 20% or 35%. As this process may result in a subcontractor's RCT rate increasing due to changes in their compliance position, the review is suspended.
  - Subcontractors and agents are reminded that RCT rate reviews can be self-managed in ROS. Subcontractors can check if their rate should be lower and can then 'self-review' to get that lower deduction rate.
  - VAT: Following a request from the Minister for Finance, Revenue will allow the application of the zero rate of VAT to the supply to the HSE, hospitals and other health care settings of personal protection and specified medical equipment for use in the treatment of patients with Covid-19.
  - Local Property Tax: For property owners who opted to pay their LPT for 2020 by Annual Debit Instruction or Single Debit Authority payment, the deduction date will change from 21<sup>st</sup> March 2020 to 21<sup>st</sup> May 2020.
  - *For importing goods*
  - Customs: critical pharmaceutical products and medicines will be given a customs 'green routing' to facilitate uninterrupted importation and supply.
  - The Revenue Commissioners had implemented an EU Commission decision that allows goods used to combat COVID-19 to be imported, from outside the EU, free of import duties and VAT.
- *Sectorial, regional measures, or measures other than fiscal (e.g. labour)*
    - **Housing:** a moratorium on rent increases for the duration of the crisis and a ban on evictions were introduced as part of the *Emergency Measures in the Public Interest Act 2020*. The measures compliment the three month mortgage breaks that have been afforded to mortgage

holders affected by the crisis that also apply to buy-to-let landlords. In addition, on 24<sup>th</sup> March, the Government announced that the Department of Employment Affairs and Social Protection will use full flexibility in relation to the Rent Supplement Scheme to assist those in the private rented sector.

- The Commission for Regulation of Utilities has issued a moratorium on disconnections of domestic customers for non-payment to the gas and electricity suppliers.
- Amendments to planning and development regulations temporarily allow restaurants to operate as takeaways - whereby members of the public can order food for collection for consumption off-premises or have food delivered for consumption off-premises - without being required to obtain change of use planning permission to operate as takeaways.
- Other
  - *Release of the Counter Cyclical Capital Buffer (CCyB)* by the Central Bank of Ireland (CBoI) from 1% to 0% (18/03/2020). This release aims to ensure that banks continue to provide credit to households and businesses. The CBoI has further committed not to announce an increase of the CCyB rate before the first quarter of 2021 at the earliest (note, the announcement generally precedes the introduction of the buffer by 12 months). The planned introduction of another capital buffer (the Systemic Risk Buffer) has been put on hold.
  - *Three month payment moratoria* (19/03/2020): Banks will introduce three-month payment moratoria on mortgages, and personal and business loans for some business and personal customers affected by COVID-19 (a further three-month extension was announced on 30 April). This was agreed jointly by the Banking & Payments Federation Ireland (BPFi) and five retail banks on the one hand and the Central Bank of Ireland on the other hand. The main credit servicing firms and non-bank mortgage lenders have also agreed to provide similar supports to their customers.
  - The payment break will not be recorded as missed payments on borrowers' credit record and recording on the Central Credit Register will be adjusted.
  - To support public health policy, the Minister of Finance requested industry to increase the limit on contactless payments to €50 per transaction.

EL



- Expenditure measures
  - Healthcare: Increased support of the public health system to account for extraordinary expenditures with respect to payroll costs, equipment of Intensive Care Units, pharmaceuticals, medical equipment, cleaning, storage, transport and analysis of samples and to all other areas where extraordinary expenditures will be required. The estimated fiscal cost of increased health expenditures is EUR 273 million, which includes the hiring of approximately 3,000 health sector staff.
  - Introduction of a special leave scheme partially funded (25%) by the Greek state, to facilitate parents of children below 15 years of age working in the

private and public sector following the general closure of schools. Estimations suggest that the fiscal cost will be around 15 million for March and April.

- A special allowance of 800 euros will be granted to self-employed, freelancers and sole proprietorships that have been affected by the coronavirus crisis. The amount of 800 euros covers the period between mid-March and end April , while the monthly equivalent amount (533 euros) will be granted for May. The total cost is estimated at EUR 574 million of which EUR 157 million will be financed by the ordinary budget and EUR 417 million by a re-allocation of public investment budget. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
- A special allowance of 800 euros will be granted to employees of firms affected by the coronavirus crisis, whose labour contracts have been suspended. The amount of 800 euros covers the period between mid-March and end April , while the monthly equivalent amount (533 euros) will be granted for May. The beneficiaries are determined on the basis of NACE codes of the firms in which they are employed. The total cost at EUR 1.602 billion. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
- A special allowance of 800 euros will be granted to employers (with up to 20 employees) affected by the coronavirus crisis based on specific NACE codes. The amount of 800 euros covers the period between mid-March and end April, while the monthly equivalent amount (533 euros) will be granted for May. Total cost is estimated at EUR 73 million of which EUR 61 million will be financed by a re-allocation of public investment budget and the remaining by the ordinary budget. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
- A refundable advance payment will be provided to companies affected by the crisis and whose loans are performing, on the basis of turnover reduction. The advance can be repaid in five years, following a 1.5 year grace period and at a low interest rate. The cost of the measure will be EUR 2 billion and it will be financed by EUR 1.1 billion by the ordinary budget and EUR 0.9 billion by the Corona response investment initiative (CRII). Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
- A total of 113,000 public servants working in hospitals, National Emergency Aid Centre, National Organisation of Public Health and Civil Protection will receive an (extraordinary) Easter bonus. The cost of the measure stands at EUR 62 million.
- For private sector employees whose labour contract has been suspended, the fraction of their Easter bonus that corresponds to the period of suspension will be covered by the state budget. The cost depends on the number of private sector employees whose contracts will be suspended, as well as to the exact date from which the suspension will enter into force. The total cost of the partial payment of Easter bonus by the state is estimated at EUR 187 million. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
- Economic support in the form of a training voucher of 600 euros will be provided to six scientific sectors (economists/accountants, engineers,

lawyers, doctors, teachers and researchers). The total cost is estimated at EUR 108 million. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.

- Additional support will be provided to the primary sector of the economy will be supported through a re-allocation of EUR 150 million to the budget of the Ministry of Agriculture.
- Extension of the regular unemployment benefit payment, as well as of the long-term unemployment benefit and the unemployment benefit to freelancers and self-employed workers, for two months. The cost is estimated at EUR 232 million. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
- Reduction of clawback to hospitals and compensation. Estimated cost at EUR 19 million. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
- Compensation of passenger ships. Estimated cost at EUR 15 million to be financed by a reallocation of public investment budget.
- Increased expenditures related to the Covid-19 crisis in Ministries other than the Ministry of Health. Estimated cost at EUR 90 million.
- Unemployment benefit of 400 euros to 155,000 beneficiaries that became long-term unemployed since April 2019. Estimated cost at EUR 6 million.
- Compensation will be provided by the Ministry of Culture for projects in sectors that were affected by the Covid-19 crisis. Estimated cost at EUR 10 million.
- The social security contributions of employees that work in firms affected by the coronavirus crisis and whose labour contracts have been suspended, as well as the contributions of the self-employed that are treated as employees for taxation purposes and that have been affected by the coronavirus crisis will be covered by the State. The beneficiaries are determined on the basis of specific NACE codes. The measure covers the period from mid-March (or from the date of suspension of the labour contract) until end May. The total cost is estimated at EUR 1.36 billion. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
- Interest subsidy on SME loans: the measure will cover the interest payments of the affected businesses for the period of 3 months (April, May, June), on the conditions that their loans are performing and that beneficiary firms maintain their job positions. Beneficiaries are estimated at 500,000 businesses and the cost is estimated at EUR 800 million which will be financed by the Corona response investment Initiative.

#### Tax measures

- Suspension of VAT and other tax obligations' payments that were due between 11 March and 30 April for businesses, self-employed persons and sole proprietorships affected by the coronavirus crisis. The beneficiaries are determined on the basis of specific NACE codes and the suspension period lasts until end August. Payments due for end May will be suspended until end September. The deferred revenues are estimated at several hundreds of millions euros. This is currently assumed to have no fiscal impact since the revenues are expected to be received in full. However, in case the deferred amounts are settled through instalments schemes, the

- fiscal balance in 2020 will be affected negatively.
  - Suspension of SSC payments due by end-March, April and May for businesses, self-employed persons and sole proprietorships affected by the coronavirus crisis. The beneficiaries are determined on the basis of specific NACE codes and the suspension period lasts for seven months. Following the suspension period, payments will be made in four instalments of equal amount without interest and surcharges. The deferred revenues are estimated at several hundreds of millions euros. This is currently assumed to have no fiscal impact since the revenues are expected to be received in full. However, in case the deferred amounts are settled through instalments schemes, the fiscal balance in 2020 will be affected negatively.
  - For social security contributions and other obligations that are under a settlement scheme, a three-month extension is provided for the payment of instalments that were due by end March, April and May. These payments will start as of 1 June 2020. The deferred revenues and the fiscal impact for 2020 are estimated at EUR 278 million.
  - A 25% discount on tax and social security contribution obligations (excluding VAT) is granted to self-employed, freelancers, firms affected by the coronavirus crisis, as well as the employees in these firms. The measure applies to all those eligible to deferral in tax debt payments and SSC payments, if they decide instead to pay their obligations in line with the originally scheduled timeline.
  - 25% of the VAT paid on time will be offset with future tax obligations. This measure applies to all those eligible to a deferral in tax payments.
  - Reduction of the VAT rate from 24% to 6% for sanitary products (masks, gloves etc.). Fiscal cost is estimated to be negligible.
  - Abolishment of Local Governments' levies until June for enterprises whose operation has been suspended by government decree. Estimated cost at EUR 110 million.
  - Suspension of tax payment obligations for property owners that receive reduced rent.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
    - Allow for the first time for workers to be enabled legally to be instructed to work from home
    - Allow flexible working hours through suspending the requirement to pre-declare hours in the labour registry system called Ergani.
    - Provisions allowing for derogations from standard public procurement procedures in order to cover extraordinary needs related to the outbreak of CoViD19.
    - A 40% reduction in commercial rent paid by firms affected by the coronavirus crisis. The reduction is in force for March April and May, while beneficiary firms are determined on the basis of specific NACE codes.
    - A 40% reduction in primary and student residence rent for employees of firms affected by the coronavirus crisis on the basis of specific NACE codes. The rent reduction is in force for March, April and May.
    - Suspension of payments of principal until September for firms affected by the coronavirus crisis and whose loans are performing. This measure has not been introduced through legislation, but has been decided by Greek banks.
    - Firms are allowed to employ their employees for at least two weeks per

month. The measure covers at least 50% of all employees within a firm. Dismissals are prohibited for employers that will adopt this measure. The measure can be applied for up to 6 months and implies no cost to the State Budget.

- Labour contracts of medical staff and staff of medical laboratories with an initial termination date up to 30/09/2020 can be extended by derogation from standard procedures.
  - Recruitments of medical staff from National Health System hospitals, primary healthcare units and entities supervised by the Ministry of Health can be conducted by derogation from standard procedures.
  - EIB liquidity extension and backed guarantees scheme (total leveraged amount of €2 bn): the EIB will provide further liquidity to banks for new corporate loans, while a backed guarantees scheme will provide support to loans linked to investment projects.
  - Expansion of the operations of the Hellenic Development Bank (HDB) (€250 mn aggregate amount): HDB will allocate additional funds to its schemes in order to disburse corporate loans with 100% interest subsidy for 2 years. The amount of EUR 250 million has been already granted to HDB in the previous years and the measure will not have a fiscal impact.
  - Cash collaterals by HDB to banks for loans to affected companies: HDB will offer cash collateral on banks in order to grant loans to enterprises hit by the virus. The scheme will guarantee a part of the capital. Total guarantees extended will be equal to EUR 2 billion and will leverage lending of EUR 7 billion. The measure will be financed by a re-allocation of the public investment budget.
  - Direct payment of arrears to SMEs and natural persons (€13 mn aggregate amount): tax administration disbursed arrears worth up to € 30 000 through accelerated audit procedures. This measure does not have a fiscal impact on the balance
- Other
    - The mechanism of the Independent Authority for Public Revenue has been made available to the Government as a direct communication platform, with specific messages addressed to the public, concerning matters of health and economic content, in relation to the coronavirus.
    - Schools and universities have closed throughout the country. Operation of theatres, cinemas, archaeological sites, museums, concert halls etc. has been suspended.

ES



Four packages of economic and social measures have been adopted so far on March 12<sup>th</sup>, March 17<sup>th</sup>, March 31<sup>st</sup>, and April 21<sup>st</sup>.

- Expenditure measures
  - Increase by EUR 1,000 million of the Contingency Fund for the Health Ministry to cover expenditures related to increased healthcare needs.
  - Financial support of EUR 2,800 million to the regions through early transfer of funds under the regional financing framework of 2020 to support additional health expenditure.
  - Supplemental credit of EUR 25 million to cover meal allowances to ensure the basic access to food for vulnerable children affected by the suspension

of educational activity in schools. This measure will also help support economic activity for meal and food services providers.

- An extraordinary allowance is provided for self-employed workers (autónomos) affected by the suspension of economic activity
- Additional budgetary funds of EUR 300 million to ensure the provision of assistance to dependent persons.
- Additional flexibility for local authorities to use their 2019 budgetary surplus to fund social services and primary assistance to dependent persons.
- The social benefit for energy provision ('bono social') will be automatically extended until September 15.
- Compensations are foreseen in certain cases of suspension of public contracts affected by COVID-19, in order to avoid terminations of contracts leading to companies exiting the market.
- An additional 110 million will be devoted to fund R+D+I for the development of drugs and vaccines for COVID-19.
- Other expenditure measures relate to the use of temporary employment adjustment schemes.
- Direct assistance for housing rent for persons unable to make payments, with a maximum amount of EUR 900 per month; programme of EUR 700 million managed by the Regions and Local Corporations in the framework of the State Housing Plan.
- Specific programme for victims of gender-based violence, the homeless and other particularly vulnerable persons, for immediate housing solutions through financial support of up to EUR 600 per month (it may be increased in justified cases to EUR 900). An additional allowance of EUR 200 is provided to cover maintenance, community and basic supplies costs, with a limit of 100%.
- Extraordinary allowance for domestic workers with reduced working hours or termination of contract as a result of the COVID-19, up to 70% of their regulatory base.
- Workers on temporary contracts expiring after the declaration of the state of alarm and not entitled to unemployment benefits may receive an extraordinary allowance (80% of IPREM).
- Extension of the unemployment benefit to cover workers whose contracts under trial period have been terminated since March 9th, and for those workers who voluntarily terminated their contract since March 1st because they had a firm job offer that has been withdrawn.
- Strengthened unemployment protection for workers with permanent discontinuous contracts not qualifying for unemployment benefits unable to resume work as a result of COVID-19.
- Strengthened unemployment protection for workers in the culture sector.
- Reimbursement of non-recoverable expenses for fees paid for participation in trade shows or other international promotional activities.
- Extension of temporary contracts of faculty staff at universities.
- Extension of pre-doctoral contracts for research staff in training.
- Temporary compensation of certain expenditures related to the mandatory provision of television services.
- Exemption of fees in procedures for authorisation of clinical trials for research for medicines related to COVID-19.
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- Tax measures
- Flexibilisation of the tax deferral regime within 2020: possibility for SMEs and self-employed workers, upon request, to defer tax payments for six months, and benefit from interest rate subsidies (relief of up to EUR 14,000 million estimated).
- Extension until May 20<sup>th</sup> of the April deadline for tax filings by SMEs and self-employed workers (estimated by the authorities to provide liquidity injection of up to 3,558 million).
- 50% exemption from employer's social security contributions, from February to June 2020, for workers with permanent discontinuous contracts in the tourism sector and related activities.
- Exemption of Social Security contributions directed to maintain employment in temporary employment adjustment schemes (ERTEs) due to COVID -19. The exemption for SMEs will amount to 100% whereas for the rest of the companies it will amount to 75% of employer's social security contributions (no officially quantified impact).
- The Social Security authority is authorized to exceptionally grant six-month deferrals on social security contributions.
- Companies and self-employed with no social security debts are allowed to defer Social Security debt payments due between April and June 2020 with 0.5% interest.
- For the self-employed affected by the suspension of economic activity receiving the extraordinary allowance, deferral of their March social security contribution without charges.
- Reduction of Social Security contributions for certain agricultural workers during periods of inactivity in 2020 and simplification of the procedure for deferring Social Security debt.
- The fourth package of measures also includes several measures to align tax bases to the current situation for SMEs and self-employed workers (estimated by the authorities to unlock more than EUR 1.1 billion in liquidity for firms). These measures include:
  - The use of the 'direct estimation method' by self-employed workers for the calculation of certain personal income tax and VAT payments, which will allow to adjust these payments during the state of alarm to the real income received.
  - The adjustment of advance corporate tax payments to the estimated revenues in 2020.
  - The possibility to suspend the enforcement periods for payment of certain tax debts if companies are financing their payment through the State Guarantee Line.
- In addition, the VAT rate applicable to the supply of healthcare material by national producers to public entities, non-profit organizations and hospitals is lowered to zero, in line with the EU.
- The VAT rate on electronic books, magazines and newspapers is also adjusted to align it with paper products.
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- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
- **Firms and sectors**
- Publication of sectoral guidelines: (i) guidelines by the Ministry of Labour and



Social Economy on how to operate in labour related aspects in the context of Coronavirus, and (ii) guidelines by the Ministry of Industry, Trade and Tourism on good practices for businesses and workers in the tourism sector.

- Specific ICO financing facility amounting to EUR 400 million to support, through liquidity provision, firms and self-employed workers in the tourism sector affected by COVID-19.
- Measures to support the tourism sector and related activities: the aforementioned ICO financing facility and the aforementioned exemption from employer's social security contributions for workers with permanent discontinuous contracts in the tourism sector and related activities.
- The Government will open a new line of guarantees via the national development bank (Instituto de Crédito Oficial) of up to EUR 100 billion so that the financial sector provides liquidity to firms and self-employed workers to fund working capital, payment of bills and other needs to maintain operations and protect economic activity and employment. On April 21<sup>st</sup>, the ICO State Guarantee Line was extended to cover Alternative Fixed-Income Market (MARF) commercial paper.
  - Main features of the first tranche of guarantees amounting to EUR 20 billion: (i) 50% of the tranche will cover loans to SMEs and self-employed workers, and (ii) the guarantee will cover 80% of new loans and loan renewals to SMEs and self-employed workers, whereas for the rest of companies the guarantee will cover 70% of new loans and 60% of loan renewals.
  - A second tranche amounting to 20 billion has also been activated. It will be entirely devoted to cover operations of SMEs and self-employed workers. The guarantees will cover 80% of loans and loan renewals, and will have the same maturity as the loan with a maximum of 5 years.
  - A third tranche amounting to EUR 24.5 billion was activated on May 5<sup>th</sup>. This tranche comprises: (i) EUR 10 billion to cover loans for SMEs and self-employed workers, covering 80% of new loans and loan renewals and with the same maturity as the loan, with a maximum of 5 years; (ii) EUR 10 billion to cover loans for other non-SME companies, covering 70% of new loans and 60% of loan renewals and with the same maturity as the loan, with a maximum of 5 years ; (iii) EUR 4 billion to cover commercial paper on the Alternative Fixed-Income Market (MARF), covering 70% of the principal of each issuance; and (iv) EUR 500 million to strengthen the counter-guarantees granted by CERSA (Compañía Española de Reafianzamiento).
- The Instituto de Crédito Oficial is allowed to increase its funding by EUR 10 billion to extend its existing lines of credit to companies and self-employed workers.
- Additional guarantees of up to EUR 2 billion through the Spanish Export Insurance Credit Company (CESCE), for financial institutions to provide new working capital credit to companies.
- Additional EUR 60 million of guarantees for CERSA (Compañía Española de Reafianzamiento).
- Strengthening the counter-guarantees granted by CERSA to increase the capacity of regional mutual guarantee entities.
- Guarantees for loan maturity extensions to farmers using credit lines under the special 2017 drought credit line.
- Measures to support the aviation sector: EU Commission was requested to

- provide urgently flexibility for airport slots.
- Deferral of the reimbursement of principal and/or interest of loans received from the Ministry of Industry, Trade and Tourism if COVID-19 has caused disruptions to the beneficiary firm. Flexibility in procedures for accessing and repaying loans or aid from the Ministry of industry was enhanced on March 31<sup>st</sup>.
- Suspension of interest and principal payments of loans from the Secretariat of State for Tourism.
- Postponement of payments interest and/or principal of loans by regions to companies and self-employed workers affected by the crisis.
- Extraordinary flexibilization of the 'Fund for Promotion and Education of Cooperative businesses', which may be used for any activity that helps to slow down or alleviate the effects of COVID-19 through shares, grants or liquidity to cooperative businesses to ensure continuity.
- Authorization to the Insurance Compensation Consortium (Consortio de Compensación de Seguros) to reinsure credit insurance risks in order to strengthen the channelling of resources to commercial credit, ensure the continuity of economic transactions and provide security for commercial operations.
- Authorization for the postponement of payments on loans granted by IDAE (Instituto para la Diversificación y Ahorro de la Energía) under its grant or repayable aid programmes.
- Additional flexibility in the energy sector regulations.
- Measures for the culture sector including: the provision of EUR 20 million for the mutual guarantee society CREA SGR to ensure access to liquidity and funding to SMEs in the culture sector, extraordinary support for performing arts and music, support for the film and audio-visual sector to facilitate film display at cinemas, and an extraordinary support system for the book sector.

### **Workers**

- Improved protection for workers under precautionary confinement and/or suffering from COVID-19: workers and civil servants under precautionary confinement or affected by coronavirus will benefit from the regime applicable to leave due to workplace accidents instead of leave due to a regular sickness. The public sector will cover the cost of the leave of these workers. The aim of this measure is to facilitate workers to follow health safety instructions, while avoiding that the costs of medical leaves are borne by families and firms (no officially quantified impact).
- Changes in the temporary employment adjustment schemes (ERTEs - Expedientes de Regulación Temporal de Empleo) in order to avoid (and forbid during the lockdown) outright dismissal by promoting temporary unemployment (the suspension of employment) or reductions in working time. In particular:
  - The temporary employment adjustment schemes have been significantly simplified.
  - Access conditions to these schemes have been extended: all workers affected by employment suspension or working time reduction are entitled to receive unemployment benefits, regardless of their contribution period.
  - Unemployment benefits received under the temporary employment

- adjustment scheme do not count in terms of consumption of unemployment benefit rights.
    - As previously mentioned under tax measures, employers will be exempt from social contributions during the period of application of the temporary employment adjustment scheme: SMEs will benefit from a 100% exemption in employer's social security contributions whereas for the rest of firms the exemption will amount to 75%.
    - ERTes applied in force majeure cases have been extended to be applicable in sectors considered essential but having nevertheless suffered a reduction in revenues due to confinement measures.
  - Flexibilisation of working conditions, encouragement of telework and adjustment of working times. Reduced working times are permitted for workers having to take care of children, elderly or dependent persons.
  - 
  - Two-month extension of telework as the preferred working method as well as the adjustment and reduction of working hours (measure adopted on April 21st).
    - Interruption of the calculation of the duration of temporary contracts if they are suspended due to COVID-19.
    - Workers affected by the suspension of all non-essential economic activities from March 30th until April 9th will receive their full salary, and will be required to compensate the lost working hours before December 31, 2020.
    - Temporary flexibilization measures to encourage employment in agriculture.
    - Public employees are allowed to change their normal activities to voluntarily support health, social and health care and areas that require reinforcement of human resources.
      - Retired health personnel is allowed to return to work while maintaining their pension payment.
- Other
- Budgetary flexibility measures in order to enable transfers between budget lines.
- Emergency management process for the procurement of all goods and services needed by the public sector to implement any measure to address COVID-19.
- Price intervention: (i) possibility for the Government to set, in an exceptional public health situation, a maximum price for medicines and certain products, and (ii) no updates of maximum sale prices of liquefied petroleum gas for six months in order to avoid price increases.
- Three-month credit postponement on mortgage payments for the most vulnerable and on mortgage payments of business premises for self-employed workers.
- Three-month deferral of non-mortgage loans and credits held by vulnerable people, including consumer credit.
- Suspension of evictions for six months after the declaration of the state of alarm.
- Automatic renewal of rental contracts expiring within three months and for up to six months
- Automatic deferral of rent payments for vulnerable tenants whose landlord is a large housing holder (owning 10 or more properties), for a maximum of four months with repayment over three years.
- Transitional financial assistance for tenants at zero cost with a State guarantee

(six months of rent, to repay within 10 years). On April 21<sup>st</sup>, the total amount of the State Guarantee Line was established at EUR 1.2 billion.

- Mechanism for reducing the costs of renegotiating and deferring rent payments for businesses to large owners or public companies. For other owners, deposits will be facilitated as payment mechanism.
- Reduction of notary fees associated to changes in non-mortgage credits.
- Possibility of redemption of pension plans by workers under short-term work schemes and the self-employed who have ceased their activity. On April 21<sup>st</sup>, the terms for the redemption of pension funds were defined, including the accreditation of circumstances entitling the redemption, and the maximum quantities allowed.
- Guarantee of the continuity of energy and water supplies, prohibiting their suspension for reasons other than security of supply. Telecommunication services are also guaranteed.
- Flexibility in payment of basic supplies such as electricity, water, gas or telephone for the self-employed and companies affected by the COVID-19.
- Postponement of payments due between March and December 2020 of certain university student loans linked to future income.
- Prior government authorization for third country FDI in strategic sectors, which was reinforced on March 31<sup>st</sup> to ensure the coverage of all foreign investment effectively controlled by third country companies.
- For macro-prudential reasons, the National Securities Market Commission is allowed to modify the requirements applicable to collective investment institutions.
- Temporary and extraordinary extension of certain requirements allowing joint-stock companies or limited liability companies to qualify as worker-owned limited companies.
- Acceleration of custom procedures for imports and exports in the industrial sector for six months.
- Suspension of Labor and Social Security Inspection deadlines to facilitate the adjustment of the economy and the protection of employment.
- Reinforcement of control and penalty mechanisms to avoid fraud in the granting of benefits. Penalties are legally regulated for companies submitting false or incorrect applications and corporate liability is established (the firm will have to reimburse the benefits unduly received by its employees).
- Support for R+D+I for the development of drugs and vaccines for COVID-19 (as reflected under expenditure measures).
- Financial support measures for science and technology parks through the postponement and fractioning of loan payments.
- Authorization for the Barcelona Supercomputing Center to borrow funds to fulfil international commitments related to the EuroHPC project.
- Changes to the requirements to access public grants for universities in order to ensure the continuity of projects.
- Enable CDTI to expedite aid and contributions to the business sector, in order to promote innovation in the fight against the pandemic to support the rapid financing of prototypes and the industrialization of emergency medical products.
- Procedural and administrative requirements for companies are facilitated: for the holding of shareholder and management meetings, preparation of financial statements, and extension of deadlines for the submission of certified

documentation. Deadlines for insolvency declarations as well as for tax filing procedures and requirements are also extended.

- Approval within 15 days after the end of the state of alarm of an Action Plan to expedite court activity.
- Provisions for suspension of fees paid in the case of subsequent contracts, and establishment of compensatory voucher systems.
- Provisions on suspension of portability in telecom services only in cases requiring physical presence. Rates are also temporarily frozen.
- Limitations on advertising and promotional activities for online gaming activities.
- Exceptional temporary measures related to port activity to mitigate the economic impact of COVID-19 (adjustment of minimum traffic requirements, exemptions in certain port fees in case of suspension or significant reduction in activity).
- Establishment of a Sports Foundation, endowed with funds from the sale of audio-visual football rights, to help finance and provide stability to federative, Olympic and Paralympic sport.
  - Support to the digitalization of small and medium companies through grants and loans to finance investment in digital equipment or solutions for remote working conditions (programme ACELERA PYME). - On May 5<sup>th</sup>, new measures to support digitalization were approved. These additional measures include the introduction of a learning programme in digital economy for young unemployed people to improve their digital skills, as well as two support programmes amounting to EUR 50 million to promote technological development based on Artificial Intelligence and other digital enabling technologies, and to promote the development of technological development on certain fields.
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FR



President Macron announced that the government will support the healthcare system and the French economy (support measures for firms and employment), whatever it costs. A second revised budget law for 2020 was presented on 15/4. The economic rescue plan announced consists in a €110bn package (around 5% of GDP), in addition to €315 billion in guarantees for bank loans to businesses and credit insurance (around 14% of GDP).

- Expenditure measures

**Health measures:**

- Financial support to healthcare system, via EUR 8 bn increased expenditure for medical devices, sickness allowances (possibility to benefit from sick leave for individuals who cannot work due to confinement) and exceptional compensation of healthcare personnel.
- Financial support to the healthcare system: €260 million (0.01% of GDP) for hospitals out of unspent reserves in the 2019 budget. Payments of €3.5bn (0.14% of GDP) from the 2020 allocation brought forward (April instead of May). No budget impact expected.
- Requisition of the stock of masks by the State to ensure a redistribution to places where they are most needed (adopted).
- Overtime for healthcare workers and medical teleconsultation conditions

eased (adopted).

- Implementation of a region-by-region childcare service and possibility for taxis and hotels to be requisitioned for medical staffs (bills paid by the State).
- Reinforcement of hospitals' resuscitation capacity to 10,000 beds

**Other measures:**

- Massive plan of short-time work ("chômage partiel") to support employment: conditions eased (automatic upon request by firms) and extended to other categories of beneficiaries (e.g. childcare workers and domestic workers). 70% of gross wages ensured, entirely covered by the government, while only 1 SMIC was ensured by the government before). This amounts to a ceiling of 4.5 times the minimum wage, the obligation to use reduction of normal working schedule. Latest estimated budgetary impact of € 26 bn.
- Solidarity fund including a tax-exempt lump sum compensation corresponding to the loss of turnover over one year (within the limit of €1500) for VSEs (turnover less than €1M and annual taxable profit of less than €60,000), self-employed workers, micro entrepreneurs and liberal profession experiencing a very sharp drop in turnover (loss of 50% of turnover over one year in March 2020) or subject to administrative closure. Additional aid of €5000 for businesses with at least 1 employee threatened with bankruptcy. Fund to remain active after May, with focus on the hardest hit sectors and extended eligibility. €7bn for three months with possibility of extension, with a contribution from the regions (€250M), insurers and donations.
- Opening of a credit line (EUR 20 bn) for strategic industrial companies in need of support from the state, covering capital injections and investments or nationalisation.
- Increase of the capacity of the economic and social development fund (FDES) addressed to medium-sized enterprises in need up to EUR 1 bn.
- Creation of a 500M€ envelope for repayable advances or subsidised loans for small strategic industrial companies (from 50 to 250 employees) suffering from a lack of cash flow and which cannot benefit from the loan guaranteed by the State.
- Creation of additional emergency reserves in the central government budget for unforeseen expenditures (EUR 2.5 bn). This includes the payment of an exceptional solidarity aid to the most fragile households for about EUR 0.9 bn.
- Exceptional bonus to civil servants (outside the healthcare system) at central and local level, exempted from all social security charges and contributions up to a limit of EUR 1000. Measure included under the State's norm, with no specific budgetary impact quantified.
- Extension of unemployment insurance benefit payments and postponement of entry into force of the reform of the unemployment benefit system. All measures together amount to EUR 0.5 bn.
- Increase of the ceiling of the state guarantee on the refinancing of the unemployment insurance system (Unedic), from EUR 2 bn to EUR 7 bn.
- Abolishment of the waiting period for the additional compensation paid by the employer to childcare parents and increase of the replacement income up to 90% of the net salary.
- Extension of eligibility for access to minimum welfare benefits over the containment period: income of active solidarity (RSA), the complementary

healthcare (CSS), allowance for handicapped persons and children.

- Tax measures
- Postponement of social and fiscal deadlines for all companies upon simple request for March, April and May. They may lead on a case-by-case basis to tax relief for the most distressed companies. Estimated amount € 25.5 bn (under assumption of 75% uptake) (adopted). No impact on 2020 deficit quantified at the moment.
- Exemption from social security contributions for SMEs and VSEs operating in the worst hit sectors (tourism, hotels, cafés and restaurants, events and culture sectors) during the administrative closure.
- Exemption from income tax and social security contributions for overtime worked by employees, from 16 March until the end of the state of health emergency, up to a maximum of 7,500 euros per year (currently 5,000 euros)
- Deferral of the payment of rents, electricity or gas bills for professional premises, VSEs and SMEs in sectors whose activity is interrupted (adopted). Rents and occupancy fees on public property due to national landlords for VSEs and SME operating in the hardest hit sectors (tourism, hotels, cafés and restaurants, events and culture sectors) will be cancelled for the period of administrative closure.
- Deferral of tax and social security payments will be prohibited for large companies paying dividends. Share buy-backs are also not compatible with state support.
- Relaxation of the conditions for the exceptional purchasing power bonus for companies with fewer than 250 employees, suspension of the obligation to sign a profit-sharing agreement for the payment of an exceptional bonus exempt from income tax and all social security charges up to a limit of €1,000 in 2020. In the case of a profit-sharing agreement, the amount of the exceptional bonus may be increased up to €2,000 depending on the employees' working conditions, with an extension of the payment period until August 31, 2020.
- Advanced refund of tax credits (including start-ups) and advanced refund of three months VAT credit claims. Total amount of EUR 23 bn.
- Reduction of the VAT rate to 5.5% on masks, protective clothing (overalls, hats, gloves, etc.), hydroalcoholic gels and all body disinfectants.
  
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
- Quarantine starting on March 17<sup>th</sup> noon;
- Publication of a decree on March 5<sup>th</sup> to limit the price of hydroalcoholic gel (adopted);
- Support in dealing with a conflict with customers or suppliers;
- Removal of the ceiling for advances paid by the State on public contracts and no delay penalties will be applied regarding public contracts (COVID-19 is considered as a "cas de force majeure") (announced);
- State-guaranteed treasury loan of up to 25% of annual turnover or 2 years of payroll for newly created or innovative companies. No repayment will be required in the first year; the company may choose to amortize the loan over a maximum period of five years. Scheme enabling the State to guarantee 300 billion in cash loans. The guarantee may cover 70 to 90% of the amount of the loan, depending on the size of the company. The granting of State

guarantees on liquidity loans is conditioned on the respect of payment deadlines to suppliers. State-guaranteed loans will be prohibited for large companies paying dividends. Share buy-backs are also not compatible with state support.

- Supply by BPI France of a guarantee to SMEs and medium sized enterprises for confirmed overdrafts over 12 to 18 months or on loan of 3 to 7 years, 6-month extension of maturities as of March 16. Granting by BPI France of (i) unsecured loans over 3 to 5 years up to €5 million for SMEs, and €30 million for small and medium enterprises, with a significant deferral of repayment (ii) loans from €10,000 to €300,000, subsidised over 7 years with a 2-year grace period
- Public reinsurance on outstanding credit insurance for companies to maintain their activity up to €10bn.
- Reinsurance of short-term export credits has been increased from EUR 1 bn to EUR 5bn, in the context of a broader contingency plan.
- Wider access to Banque de France refinancing for SMEs: the Banque de France will broaden the private claims that it can refinance, to provide additional facilities for the banks that lend to them. From now on, it will extend the scope of the claims that can be mobilised on 16,000 SMEs and VSEs assessed by the banks' internal rating systems.
- The High Council for Financial Stability (HCSF) cut the countercyclical capital buffer rate to 0% as of April.
- Mobilise credit mediation to support SMEs in the territories that would need to renegotiate their contracts and loans with their banks;
- Speeding up of approval procedures in sectors like construction or chemical;
- Derogation from maximum working hours in specific sectors
- Authorization for the tourism sector to reimburse travel in the form of a credit note or deferral of the service
- Creation of a job platform, "Mobilisationemploi", accessible to jobseekers registered or not with Pôle Emploi and to employees in partial activity. It will allow an exceptional mobilization for employment in the following priority sectors: medico-social, agriculture, agri-food, transport, logistics, home help, energy, telecom.
  
- Other
- Launch of a study on the security of supply in the automotive and pharmaceutical industries, in order to make them more independent of their supplies from abroad;
- Establishment of an economic continuity unit;
- Postponement of envisaged pension reform.
- Closure of all educational institute and of all-public buildings and businesses, except those essential to people's everyday lives
- Postponement of the second round of the municipal elections to the 21st of June
- Closure of EU and Schengen borders (for 30 days)

HR

- Expenditure measures
  - Subsidies amounting to the minimum wage per worker for companies in





difficulties for March and an even higher amount in April and May, subject to the following eligibility criteria:

- The business must experience a drop in revenue of at least 20%
- The business must keep employees in employment for a period of at least 2 months for each month it receives the subsidy
- In the period since 20 March until lodging a request, the business did not lay off more than 40% of their staff (micro businesses), 20% of their staff (small businesses) or 10% of their staff (big companies).
- Extending the support scheme for seasonal workers.
- Tax measures
  - The government adopted 3 month deferrals for payment of PIT, CIT and social contributions for all businesses, subject to the following eligibility criteria:
    - The business must have no substantial pre-existing tax debt
    - The business must experience a (projected) drop in revenue of at least 20% on a monthly or quarterly basis
  - After the situation normalises a period of 24 months will be allowed for the repayment of deferred obligations, with no interest charged
  - Tax cancellations: PIT, CIT and social contributions liabilities will be waived during Q2 in full for companies with revenue up to HRK 7.5m (EUR 1m) that experience a drop in revenue of 50% or stronger. For companies with revenue above the HRK 7.5m threshold that experience a drop in revenues of 50% or more, the rate of the cut will equal the rate of the drop in revenue.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
  - To help the tourism sector the government is delaying the payments of several tourism specific para-fiscal charges, but also property income payments
  - A moratorium on enforcement on transactions on accounts of natural persons during the coronavirus epidemic was introduced, along with a suspension of accruing of interest in this period
  - The government froze the prices of flour, milk, eggs, rice, pasta, meat, fish, fruit and veg, baby food and diapers, soap and disinfectants and certain medical supplies.
  - Agency for SMEs is opening a new credit line for working capital lending for SMEs.
  - Two programmes by the promotional bank HBOR were approved on the basis of the temporary framework for state aid measures: one supporting liquidity of exporters through insurance policies worth HRK 6 billion and another programme of favourable loans for SMEs in the amount of around HRK 7.5 billion
  - The city of Zagreb is allowing deferrals on all payments to the city for pensioners

IT



Overall, Italian Government has envisaged several packages of measures to strengthen prevention and assistance policies and support the most affected sectors and firms.

- The first package it is composed by:
- Law Decree of March, the 2<sup>nd</sup>, n. 9/2020, containing urgent support measures for families, workers and businesses;
- Law Decree of March, the 9<sup>th</sup>, n. 14/2020, containing measures to strengthen the national healthcare system and Civil protection;

- various Decrees of the President of the Council of Ministers and Civil Protection ordinances with emergency measures for the containment and management of the epidemiological emergency of Coronavirus on the whole national territory.
- Law Decree of March, the 17<sup>th</sup>, n. 18/2020 (“Cura Italia” decree) containing measures strengthening the NHS and for the economic support of households, workers and firms.
- Law Decree of April, the 8<sup>th</sup>, n.23/2020 (“Liquidity decree”) containing liquidity and fiscal measures.

New measures forthcoming.

The overall measures are detailed as follows.

- Expenditure measures

Healthcare measures:

- 845 mln funding for extraordinary hires in the healthcare system and purchase of medical devices (Law Decree n. 14/2020)
- Identification of coverage of the hiring of the already planned hiring of 20000 workers in the NHS
- Increase of EUR 1.65 billion for the Fund for National Emergencies
- Increase of the fund for overtime of health workers by EUR 150 million
- EUR 340 million to increase hospital beds and intensive therapy
- Invitalia support to firms for the production of medical products (such as masks) for EUR 50 million
- The seizing of properties that are needed for emergency health care needs
- The use of military healthcare system to counter the disease. EUR 64 million to increase military health workers
- Additional funds for civil protection, fire brigade, and security forces
- Graduates in medicine can practice immediately after the degree

Job protection measures:

- Allocated 10.3 billion euros to strengthen social safety net, in particular temporary unemployment benefits for employees in every productive sector, including businesses with less than five employees and an allowance of 600 euro for the month of March for self-employed workers and seasonal workers. More in detail as follows
- The wage supplementation scheme in all its variations (ordinary, extraordinary and in derogation) has also been streamlined and extended all over the country to cover any possible class dimension and productive sector. A total additional expenditure of 5 blns € has been authorized for the measures regarding wage supplementation
- Additional resources for the wage supplementation scheme, aimed to safeguard jobs before workers are dismissed, for the most affected municipalities only, have been approved.
- Allowance of EUR 500 per month for up to 3 months for self-employed workers in the municipalities most affected at the end of February (Law Decree n. 9/2020)
- EUR 600 monthly (tax exempted) for self-employed (including partite IVA) and seasonal workers for about 4.8 million eligible workers (amounting to about EUR 3 billion);
- EUR 300 million fund for last resort income to cover all the other people
- Special (paid) leave for parents working in the public administration or assimilated as of 5/3/20; up to 15 days of parental leave for private-sector employees with children under 12 (no age limit if disabled), or a one-off check of €600 for babysitters (increased to EUR 1000 for parents working in the health

- sector) (EUR 1.3 billion)
- Up to €20,000 available as 50% one-off contribution for businesses to sanitise working areas
- Quarantine of the workers in the private sector will be treated as sickness leave
- Social benefits are extended until 1/6/20 (EUR 100 million)
- Measures for smart working (default for the duration of the emergency in the PA)
- Suspension of dismissals
- One-off tax free premium of EUR 100 monthly for people who went to work in March and with yearly income below EUR 40000
  
- Tax measures
- Suspension for 3 months of tax and social security payments in the municipalities most affected (DM 24/02/2020 - Law Decree n. 9/2020)
- Postponement of tax and social security payments for the tourism sector until 31st of May
- Suspension of tax and social security payments due in April and May for firms and self-employed that recorded in March and/or April compared to 2019
  - a 33% drop in turnover with revenues of less than 50 million euros,
  - a 50% drop in turnover with revenues of over 50 million euros
- Suspension of VAT payments for firms and self-employed with revenues of less than 50 mln and residents in the provinces of Bergamo, Brescia, Cremona, Lodi and Piacenza
- Suspension of tax and social security payments for start-ups
- Deferral of all the above mentioned tax payments (direct, indirect and social security contributions) until 31 May, with zero penalties and interest rates, and the possibility to pay by five monthly instalments after that (with the only exclusion of the withholding tax)
- 50% tax credit for expenditures for sanitations and securization of workplaces, providing for an accelerated procedure
- Businesses can use a tax credit of 60% of the rent for the month of March
- Deductibility of donations for the emergency up to a max of EUR 300000
- 2 years postponement of tax verifications for the tax year 2015
- Support to use the forecast method (instead of the historical one) for tax advances (tax advances can be adapted to expected income in 2020)
  
- Sectorial, regional measures, or measures other than fiscal
- State guarantees on credit: [The state guarantees contained in the “Cura Italia” and “liquidity” decrees aimed at covering up to EUR 750 bn of loans]
  - o [Moratorium on loans] The “Cura Italia” decree introduced a state guarantee, worth around 3.5 billion EUR or 0.2% of GDP on: 1) up to one third of the total financing received by SMEs (or 1500 EUR per SME) in case of their extension/suspension under specific conditions (e.g. both for bullet-loans and for loans reimbursed in instalments, the payment of the principal or any instalment is suspended until end-September 2020 at the same conditions). [The volume of loans concerned by the moratorium is estimated around EUR 220 billion.]
  - o as The “Cura Italia” also strengthened the SME Guarantee Fund (through additional EUR 1.5 billion) up to 5 million EUR on loans to SMEs in distress for the nine months following the decree; 2) up to 80%

on the liquidity granted, via banks and other financial intermediaries, to firms facing a sharp decline in turnover by Italy's national promotional institution CDP (Cassa Depositi e Prestiti SpA), also in the form of guarantees. This fund has been substantially increased by the "liquidity decree" (most likely to EUR 7 bn, but could be further increased to EUR 10 bn). Procedures to access the guarantees from the Fund for SMEs have been substantially eased. Financing below EUR 25k will benefit of a 100% guarantee and will not require prior assessment; financing up to EUR 800k and for business with a turnover below EUR 3,2 mln will also benefit of a 100% guarantee but will be subject to prior assessment. Above that threshold and up to EUR 5 mln turnover, the guarantee will be 90% and a prior assessment will be required. Moreover, the Central Guarantee Fund will be also allowed to provide guarantees to Small MidCap (up to 499 employees). [Overall, all the measures of the "Cura Italia" supporting firms are worth around EUR 5bn and aimed at mobilising up to EUR 350 bn.]

- Firms' credits with respect to debtors who do not pay can be transformed in tax credits ("Cura Italia" decree).
- The "liquidity decree" contains new public guarantees to support credit to business aimed at mobilizing up to EUR 400 bn (more than 20% of GDP): A) 200 bn for all firms hit by the crisis + B) up to 200 bn for exporting firms. A) The guarantee will be provided by SACE to banks and other financial institutions to facilitate the provision of new loans in any form to firms. EUR 30 bn of the SACE guarantee will be reserved to SMEs and self-employed that have exhausted the credit facility provided under the Central Guarantee Fund for SMEs. The new general guarantee for firms will cover 70% to 90% of the amount financed, depending on the dimension of the firms, and will be subject to conditionality: the financing will have to be spent for activities on the national territory and the firms cannot distribute dividends for 12 months, the guarantee cannot exceed 25% of the turnover reported for 2019. The size of the new guarantee will depends on firms' turnover: 1) Business with a turnover below EUR 1.5 bn and less than 5 000 employees will benefit of a 90% guarantee and will be granted a simplified access procedure; 2) Business with a higher turnover will be subject to an assessment procedure. The guarantee will be 80% for firms with a turnover below EUR 5 bn while 3) the guarantee will be 70% above that threshold. B) Enhancement of public support to export by introducing a co-insurance system according to which the commitments deriving from SACE's insurance schemes are assumed by the State for 90% and by the same company for the remaining 10%.
- Fund for universities (EUR 50 million) to be allocated through a (MIUR) decree
- A 350 mln allocation to help exporting firms (Law Decree n. 9/2020)
- Additional EUR 150 million for Made in Italy and some simplifications
- One-year suspension in the repayment of the loans allocated by Invitalia and the allocation of EUR 50 million to support SMEs in the municipalities most affected by the end of February (Law Decree n. 9/2020)
- Suspension of 2 months (until end of April) in the payment of the electricity,

- gas, water and waste bills in the municipalities most affected by the end of February (Law Decree n. 9/2020)
- One year suspension in the repayment of real estate mortgages by workers having lost, or been reduced, their job (Law Decree n. 9/2020)
    - o A moratorium on mortgage payments for the first residence and loans to individuals in financial distress, including self-employed workers (additional EUR 400 million for the already existing fund Gasparrini)
    - o Nine-month mortgage relief for self-employed and professionals that recorded a fall in turnover by more than a third
  - *Other*
  - Italian Government declared the National State of emergency for allowing the Civil protection to take the necessary measures to counter the Coronavirus outbreak (31<sup>st</sup> of January)
  - From the 12 March to 3th of May it has been legislated a nationwide restriction on public gatherings and the lock down of all commercial activities providing not necessary and essential goods and services. The essential public services remain guaranteed including public utilities, transport, postal, banking, financial and insurance service, as well as agro-industrial activities and those sectors providing intermediate goods and services to the above-mentioned activities.
  - From the 14th of April some retail businesses have been opened: bookshops, stationers, children's and infants clothing products, personal hygiene, home hygiene, perfumeries, computers, electronics spare parts, specialized medical products and orthopaedic products, optics, photography, laundries and hardware stores. The opening is only allowed with the adoption of DPI precautions.
  - Smart working has been favoured, both in the private and in the public sector
  - Contributions for remote education (EUR 85 million)
  - Measures already adopted postponing civil, penal and administrative trials are extended until 11 of May.
  - Restoration of jail situation (after disorders), such as home jail for inmates with less than 18 months sentence
  - Extension of identity card validity close to expiring date
  - Measures for food provisions for the poor (400 mln)

CY



The government **voted** the measures below:

- Expenditure measures
- **Strengthening of the public health sector** (buffer of up to EUR 100 mn). This provision aims to strengthen health services by supporting spending and investment in: (i) employment of additional medical staff, (ii) enhancing of equipment and infrastructure, (iii) enhancing ambulance services, (iv): centre of testings (Institute of Neurology and Genetics) and (v) helpdesk services. Some of this could be requested under *CRII*.
- **Income support to affected workers** '*Special Plan for suspension of business*' (EUR 546 mn for three months). The scheme aims at avoiding layoffs by providing unemployment benefits to support businesses that either fully or

partly suspend their operations and experience a turnover decrease of more than 25%. It provides a subsidy equivalent to 70% of its employees' salary. The scheme will cover an estimated 220,000 employees of the private sector.

- **Self-employed workers support Scheme** 'part of the Special Plan for suspension of business' for the period March 16, 2020 to April 12 (EUR €60mn for three months). This will take the form of a special unemployment allowance. This excludes certain categories, inter alia, supermarkets, doctors, pharmacies. Estimates indicate that 40,000 self-employed workers will be able to benefit from the scheme.
- **Special Absence Leave** (EUR €60mn for three months). Subsidised leave to parents working in the private and public sector, when schools, private or public, nurseries, childcare or other educational institutions are suspend their operations. Estimates is based under the authorities working assumption of 50.000 recipients during one month. It is possible that this measures will last for more than 1 month – as schools could stay closed for longer.
- **Subsidised sick leave related to the coronavirus measures** (EUR 45mn for three months). This measure will compensate individuals in quarantine and vulnerable workers (estimated number of recipients of 20,000 employees).
- **Overseas Student Allowance** (EUR 15 mn). A €750 allowance is provided to cover the costs of students attending university overseas so they do not return to Cyprus during Easter.
- **Tourism Support** (EUR 11mn). Additional budget for the implementation of actions to support tourism between June and September 2020, in cooperation with Airlines and Travel Organizers, as well as actions to enhance initiatives to attract tourists during the period October 2020 - March 2021.
- **Repatriation** (EUR 6mn)
  
- Tax measures (distinguish tax deferrals from other measures)
  
- **Suspension of the increased contributions to the NHS** (cost of EUR 52.5 mn). This measure will delay the increase of NHIS contribution originally planned in April 2020 by three months, for employers, employees and the state, in order to support the disposable income of employees, self-employed and lower business cost. The estimated net cost is at about €52.5 mn of the foregone extra contributions from private sector employers, pensioners and employees. The timetable for the implementation of Phase 2, due to start in June 2020, of the NHS is delayed by three months at least.
- Extension by one month of the submission period for objections to social security for self-employed persons until 30 April 2020 (expires 31 March 2020).
  
- Tax deferral/liquidity provision
- **Temporary suspension of VAT payments** [liquidity measure of EUR 300mn]. All suspended obligations will be paid back with a delay, by 10<sup>th</sup> November 2020. Note this could have a major impact on financing needs in the short term.
- **Special arrangements for those involved in the Settlement of Overdue Taxes.** Based on legislation adopted in 2020 (N11(I)/2020) and entered into force from 14/2/2020, for taxpayers that have been included in the Settlement of Overdue Taxes and for those who are eligible to join by 30/6/2020 it was arranged that failure to pay up to 5 instalments (out of 3 previously applicable)

- would not lead to the cancellation of the right to this settlement.
- **Temporary suspension for income tax return for submission for companies and self-employed** with accounts or obliged to submit a statement with notification issued by the Tax Department
  - **Applications for VAT or corporate tax refunds will be processed as soon as possible** in particular to the businesses most affected (e.g. restaurants, hotels, tour operators, self-employed, etc.)
  - **Advance payment of VAT** by certain categories of taxpayers in the interest of the national economy (e.g. supermarkets, pharmacies).
  - Sectorial, regional measures, or measures other than fiscal (e.g. labour)
  - (as mentioned above) Tourism Support. Additional budget of €11m for the implementation of actions to support tourism between June and September 2020, in cooperation with Airlines and Travel Organizers, as well as actions to enhance initiatives to attract tourists during the period October 2020 - March 2021.
  - Other
  - Introduction of ceilings on the prices of personal hygiene products (masks, antiseptics, antibacterial liquids, soaps, etc.) to counter the effects of profiteering.
  - Extension of the requirement to submit the necessary supporting documents for 3 months for those who have already applied for the ESTIA Scheme.
  - Decision to Cyprus Energy Regulatory Authority (CERA) for a universal reduction of the electricity tariff by 10% for a period of 3 months.
  - **Freezing of loan's repayment** (decree voted on 29.02.2020). For nine months, loans' capital and interest payment is postponed, while interest is compounding in the meantime. [voted on 29/3]. Given the approval from the European Banking Authority any debt not served in the next nine months is not considered as NPL.
  - **Ceasing of foreclosures** (3 months) and **house eviction** (2 months)
  - **Temporary suspension of the process of foreclosures by KEDIPES** for a period of 3 months. Also from banks – Announcement of the Association of Cyprus Banks.
  - **Forbearance of calling in guarantees** under public and private contracts for the supply of services or products that will be delayed by the crisis. The freezing on the calling of guarantees would also benefit the government when it is a guarantor.
  - **Banking sector measures decided by the ECB.** Measures concern the release of capital reserves, which for the Cyprus systemic banks are estimated by the CBC in excess of €1.3 billion.
  - **Banking sector measures decided by the Central Bank of Cyprus.** It is considering further local measures which will be expected to be announced by the Governor of the Central Bank. Already, the Central Bank issued a press release on its suggestions to the Commercial banks for temporary freezing of foreclosures, for temporary allowing for loan restructurings and temporary easing of lending. The Cyprus Asset Management Company (government owned) has already adopted these.



Total government support amounts to 7.5% of GDP, of which 4% of GDP have a government-deficit-increasing impact.

- Expenditure measures
  - Healthcare: EUR 82.3m granted for purchases of protective gear, laboratory equipment, medical supplies, premium for medical personnel.
  - Individual protective equipment and disinfectants for state institutions and local governments. Cost estimated at EUR 47.5m.
  - An allowance for idle employees (incl. self-employed) for 75% of prior wage (capped at EUR 700 per month, but no less than EUR 180 and a supplement of EUR 50 a month for a dependent child). Employees and self-employed not qualifying for the allowance receive assistance payment of EUR 180 per month and a supplement of EUR 50 a month for a dependent child. Cost estimated at EUR 32.9m;
  - Sick leave payments from the 2<sup>nd</sup> day of leave are covered by state if related to COVID (in other cases first 10 days paid by companies as before). Cost estimated at EUR 86.3m.
  - Local social assistance compensated by state (50% of the crisis benefit paid but no more than EUR 40 per person a month and a EUR 50 supplement for a dependent child). Cost estimated at EUR 4.3m.
  - Unemployment assistance coverage widened to self-employed or micro-enterprise owners until 31 December 2020. Cost estimated at EUR 1.4m.
  - A new flat-rate unemployment assistance payment extending the period of support for the unemployed up to 4 months until 31 December 2020. Cost estimated at EUR 30.25m.
  - Entitlements to the parental benefit expiring during the state of emergency are extended for the duration of the state of emergency. Cost estimated at EUR 6.3m per month.
  - The benefit paid to a custodian for supporting a child has been increased by 50% during the emergency situation. Cost estimated at EUR 0.5m.
- Tax measure
  - Deferral of tax payments up to 3 years on request by the company (costs EUR 236m in 2020);
  - Self-employed personal income tax advance payments deferred for 2020 (costs EUR 35m in 2020);
  - Acceleration of excess input VAT refund procedure from 1 April (refunds within 30 days after submission of VAT return) (costs EUR 60m in 2020).
  - 
  - Decrease of administrative and financial restrictions for productions and circulation of ethyl alcohol used in the manufacture of disinfectants.
  - Local governments postpone real estate tax payment within 2020.
  - Corporate Income tax should not be paid for publicly announced donations of goods and services during the state of emergency.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
  - Through the financial institution ALTUM, companies will be provided with working capital loans, credit guarantees and portfolio guarantees (up to EUR 915m)
  - EU Funds will be reallocated between projects with a view of supporting the economic recovery.
  - EIB stand-by loan arrangement for EU funds will be used for COVID-19 response (co-financing of EUR 400m);
  - National airline Air Baltic ceased most of the operations and dismissed 700 employees. In order to overcome the crisis, the company will receive up to



- EUR 286m in share capital after Commission decision.
- State Stock Company Latvian Air Traffic received EUR 6m from the government as increase of the equity capital supporting the sector in the downturn.
  - State Joint Stock Company “Rīga” airport will receive EUR 49.in equity capital after Commission decision.
  - Borrowing limit of local governments is increased by EUR 150m for the implementation of EU projects in 2020.
  - Support for public and commercial mass media of EUR 2.5m.
  - Support for affected agricultural, fisheries and food production sectors and school catering of EUR 35.5m.
  - Spending on road works increased by EUR 75m.
  - Established national research programme for research in the fields of health, engineering solutions, society and the economy EUR 5m.
  - Public entities and SOEs can exempt or reduce lease payments for those affected by the crisis.
  - The Financial and Capital Market Commission (FCMC) applies flexible approach in assessment of progress in reaching targets set in high NPL banks' strategies.
  - FCMC uses flexibility embedded in regulation to provide banks with relief to support customers facing difficulties due to COVID-19 impact.
  - FCMC will extend deadlines for submission of capital conservation plans in case breach of combined buffer requirement occurred after the outbreak of the pandemics.
  - FCMC sent a letter to banks advising to cancel or postpone payouts of dividends.
  - The majority of Latvian banks have joined a temporary moratorium for loans following the EBA Guidelines (EBA/GL/2020/02). The moratorium postpones payments of principal for residential mortgage loans up to 12 months, consumer loans, leasing and loans to businesses (limit exposures up to EUR 5m) – up to 6 months for performing customers affected by COVID-19.
  - Other
    - All temporary measures related to the pandemic are legislated in a single law, in order to ensure fast allocation of financing.
    - The deadline for submission of companies’ annual reports postponed by 3 months.
    - Prohibition to organize gambling and lotteries, except for interactive gambling, numerical lotteries, and instant lotteries.
    - Public procurement conditions lifted for purchase related to health, educational and social services.
    - Additional spending for replenishment of the State material reserves, planning the reserves of the personal protective equipment and disinfectants for at least three months. The centralized procurement of goods with logistic support from the National Armed Forces.

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- Expenditure measures
- Health and Public Security (max EUR 500 million, implementation will be based on actual needs; entered into force on 18 March): acquisition of personal protection equipment, reagents, medical devices; ensuring the financing of additional health care costs, etc. An increase in salaries of relevant medical staff has been adopted yet;

- Unemployment benefits and other social benefits (max EUR 500 million, implementation will be based on actual needs; entered into force on 18 March):
- The State will contribute to maintaining jobs with subsidies: when the Government declares an emergency and quarantine which prevents the employer from providing the contracted work to the employees, the employer has the right to declare downtime or partial downtime; during downtime, employees may not be required to perform work functions and are paid at least the minimum wage, but only if the employment contract stipulates a full working time rate; the amounts of subsidies: 90% from the employee's accrued salary, but not more than EUR 607 gross, 70% from the employee's accrued salary, but not more than EUR 910.5 gross; employers who have benefited from the subsidies will also have to keep at least 50% jobs for at least 3 months from the end of the payment of the subsidies;
- ensure payments of EUR 257 per month for affected self-employed who paid social insurance contributions for at least 3 months in the past year and, due to emergency, cannot further carry out their activities as well as enhance social protection of the artists;
- training grant of 0.39 minimum monthly salary to the unemployed persons when a declared emergency or quarantine results in the suspension of the training provider's activity where the unemployed registered with the VET program;
- ensure payment of sickness benefits to persons taking care of children, elderly people and people with disabilities who are not allowed to attend day-care centres, nurseries, schools, etc. (65.94% of their gross salary), persons with chronic diseases who are affected by the virus-mitigation measures taken by Government – 62.02% of their gross salary; it will be issued for up to 60 days, but no longer than the end of quarantine or emergency;
- increased sickness benefits for employees who became infected during the performance of their duties. If health care professionals, officials or other employees are infected with the illness for which the emergency is declared, they are offered a maximum sickness benefit of 100% net average wage (or 77.58% gross average wage).
- Tax measures
- Deferring or arranging the taxes in instalments acc. to the agreed schedule without interest to be paid;
- Stopping the tax arrears recovery actions in accordance with the criteria of reasonableness;
- Exemption of the taxpayers from fines, default interest for failure to comply with tax obligations on time;
- Postponement of submission (and payment of) personal income tax returns and advanced corporate income tax returns;
- Relief from import duties and VAT exemption on importation granted for goods needed to combat the effects of the COVID-19 outbreak pursuant to the Commission's decision C(2020) 2146 final of 3 April.
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- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
- The Bank of Lithuania released the countercyclical capital buffer of EUR 86 million that came into force on 1 April and would allow banks to provide up to EUR 1 billion in loans to businesses and residents.
- Increase the capacity of the state guarantee funds by EUR 500 million; to

reimburse SMEs from 50 % to 100 % of actually paid interest . The Government approved the actual increase of EUR 325 million.

- Ensure additional state guarantees amounting up to EUR 500 million.);
- EUR 265.5 million of EU investment funds have been reallocated to health, employment and business sectors for the mitigation of COVID-19 impact.
- Changes in national regulations to speed up the use of EU funds (target value – EUR 1.2 bn).
- Enabled full use of the Climate Change Programme (EUR 18 million), Road Maintenance and Development Program (EUR 142 million) and accelerating the program for renovation of the apartment buildings (EUR 90 million).
- Government will provide short-term loans to municipalities and reimburse emergency management costs which were a result of central government decisions. Municipalities will also be able to have higher budget expenditures than earlier approved – EUR 30 million for small municipalities and EUR 10 million for big municipalities.
- Recommendation to municipalities to allow inhabitants pay for utilities in instalments or postpone the payments as well as to exempt the taxpayers from taxes levied on business property and land. However, formalisation of this recommendation is missing.
- Other
- The quarantine regime is effective from 16 March 2020, 00:00, until 11 May 2020, 24:00. Due to the quarantine, Lithuanian citizens, with some exceptions, are banned from leaving the country, and foreigners, with some exceptions, will be prevented from entering the country. All catering, cultural, sports, beauty and spa, entertainment establishments and shops, except for groceries, apothecaries, and food-delivery services and, petrol stations, are temporarily closed. Sale of plants for planting, seeds and fertilizers is permitted in specialised outdoor stationary sales outlets. Public events banned. All education facilities have been temporarily closed, without exception.

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- Expenditure measures

- Additional expenditures in the context of health and crisis management, notably for the procurement of medical equipment and infrastructure (up to 194m). Medical teleconsultations to be reimbursed.
- In order to ease the burden on general practitioners, upstaffing of “*maisons médicales*” and establishment of four regional centers designated specifically for COVID-19 patients.
- Wide range of available direct aid schemes to companies remains fully available.
- New aid scheme introduced to support SMEs in temporary financial difficulties due to exceptional and unpredictable events (such as the current COVID-19 outbreak), providing repayable advances of up to €500 000 (estimated impact: €400m).
- Companies with less than 10 employees, forced to cease their activities under the state of emergency, may receive tax-free lump-sum grants of up to €5000 (estimated impact: €50m). At the end of April, additional financial support was decided for businesses forced to cease their activities under the state of emergency or experiencing a significant loss in turnover (€5000 for companies with less than 10 employee and €12 500 for companies with 10-20 employees).
- Tax free lump-sum grant of €2500 to self-employed professionals (estimated

- impact €27.5 ml). A complementary tax free grant between €3000 and €4000 has been implemented with broader eligibility criteria (adopted after 29 April).
- A financial aid for professional journalists of €5000 (adopted after 29 April).
  - Financial support for COVID-19 related R&D and investment aid for production of articles relevant to the fight against COVID-19 (e.g. protective masks). Targeted support for start-ups through an increase of the co-funding rate and a call for project to address the consequences of COVID-19 (estimated impact €34ml).
  - Simplified procedures for requests for special leave for family reasons due to school closures, including one-off special advance payment to companies to reimburse for costs (estimated impact €222ml). From 25 May the scope also applies to children who are required to stay at home due to organisational reasons under the education system's exit strategy (cf. below).
  - New, temporary "congé pour soutien familial" to care for disabled and elderly people in need of care during the state of emergency (estimated impact: €4ml).
  - Financial aid of €1000 euros for students facing acute financial problems (adopted after 29 April).
  - Financial support measures for cultural professionals (estimated impact: €2ml).
  - Widening of eligibility criteria and increase of financial support under means-tested housing subsidies for rent.
  - Self-employed medical professionals can apply for a temporary job contract as civil servants.
- Tax measures (up to €4.5bn to be deferred)
    - Companies can request cancellation of Q1 and Q2 2020 corporate tax advance payments and may ask for the deferral of payments due after 29 February, without late payment penalties.
    - Deadline for filing corporate and personal income tax returns is extended to 30 June 2020.
    - Outstanding VAT credits below €10 000 have automatically been reimbursed during the week of 16 March. Penalties for the late submission of VAT and other declarations are waived (estimated impact: €300m).
    - Bilateral agreements with France, Germany and Belgium regarding the taxation of cross-border workers resorting to telework in the context of the current crisis.
    - Increase of tax allowance in tax year 2020 for domestic services (e.g. cleaning personnel), assistance/care services and childcare services.
    - Additional flexibility since 1 April by the "Centre commun de la sécurité sociale" for companies' payments of social contributions, notably through a temporary waiver on late payment fees and forced recoveries of late payments.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)

*Labour measures*

    - Expansion of short-time working scheme ("chômage partiel") to all companies affected by effects of the current crisis, with 80% of employee's salary being reimbursed through the "Fonds pour l'emploi", floored at minimum wage and up to a level of 250% of minimum wage (estimated impact: €989).
    - Simplified online procedures in place for companies requesting "chômage partiel". Accelerated process through the introduction of advance payments.
    - Strengthening of protection against dismissals for workers on sickness leave and all workers in companies claiming "chômage partiel".

- Automatic extension of trial contracts in companies claiming “*chômage partiel*”.
  - As of 1 April, health insurance covers 100% of sickness leave payments from the first day of leave to provide liquidity support for employers and avoid income loss for employees (estimated impact: €104ml).
  - Automatic extension of unemployment benefits by the duration of the state of emergency (emergency impact: €10ml).
  - Temporary, conditional derogations to labour law for essential sectors, notably to increase maximum limits of daily and weekly worktimes and to allow for the possibility to cancel or refuse annual leave.
  - New online platform (“JobSwitch”) to connect unemployed persons, workers on short time and self-employed professionals to companies in need of labour.
- *Loan facilities & loan conditions*
    - Commitment by Luxembourg banks to offer a 6-month moratorium on loan repayments for SMEs, self-employed and liberal professionals.
    - New loan facility by SNCI in collaboration with commercial banks, with an envelope of up to €700m.
    - Relaxation of repayment terms for SNCI loans and credits.
    - Additional schemes by SNCI are under preparation.
- *Regulatory measures*
    - Possibility to hold shareholder meetings by remote vote, proxy or videoconference has been introduced. Board meetings may also be held without physical meetings.
    - Temporary derogations to the accounting law for companies, notably to extend the deadlines for filing and publishing accounts.
    - Suspension of the obligation to make an admission of cessation of payments leading to bankruptcy.
    - Employers that are allowed to perform their activities must take all the necessary measures to protect the health of their employees, notably by ensuring social distancing and making protective gear available.
- *Sectorial*
    - The CSSF has issued recommendations to supervised entities to facilitate work-from-home solutions, subject to appropriate IT security conditions
    - In line with increased flexibility by the ECB for “significant institutions”, the CSSF applies same flexibility for “less significant institutions”.
    - The CSSF has launched a weekly questionnaire to investment fund managers to receive regular updates on financial data (total net assets, subscriptions and redemptions) and governance arrangements.
    - The insurance regulator (CAA) has temporarily suspended the deadlines on non-judicial dispute resolutions with insurance companies.
    - The CSSF and CAA have provided flexibility as regards reporting deadlines in several areas.
    - Automatic extension of elapsing construction permits by a year following the end of the state of emergency.
    - Authorisation of heavy-duty transport on Sundays and temporary suspension of training obligation for professional truck and train drivers in order to ensure the transport of goods.

- Temporary suspension of refunds for cancelled package holidays in support of travel agents.
  - Suspension of registration fees for the digital sales platform “Letzshop.lu” in 2020.
- *Guarantees*
- New loan guarantee facility of €2.5bn, with the State providing a guarantee of 85% on credit lines granted by select banks between 18 March and 31 December 2020.
  - New “SME Guarantee” of €200ml by SNCI to provide guarantees for obtaining new working capital lines from banks active in corporate financing.
  - Companies with cash flow difficulties can request guarantees from “*mutualités de cautionnement*”.
  - Use of “export guarantees” provided by the Office du Ducroire to support companies to develop their activities on international markets has been extended. Draft law to be tabled to Parliament to increase the amount of guarantees provided by the Office du Ducroire to €500ml.
- *Public finance management*
- Draft law tabled to Parliament to extend the legal deadline for submitting the general account of the State.
- *Other*
- Containment measures
- The state of emergency (“*état de crise*”) was declared on 18 March and approved by Parliament on 21 March for a period of 3 months.
  - Movement on public roads by individuals is prohibited, except for a specified set of activities. Outdoor leisure activities (walking, jogging) are only allowed alone or together with persons from the same household.
  - All gatherings are prohibited and all public events are cancelled until at least 31 July, with the exception of marriages and funerals with a maximum of 20 participants.
  - All schools, universities and kindergartens have been closed from 16 March until 3 May.
  - All shops (except supermarkets, craft and gardening companies, pharmacies, laundries, banks, newsagents and petrol stations), as well as all bars, cafes, restaurants, nightclubs, swimming pools and libraries are closed, with possible fines in case of non-respect. Delivery, drive-in and take-out are authorised.
  - Public services are reduced to tasks that are essential to the State’s proper functioning and the management of the COVID-19 crisis.
- *Exit strategy*
- On 15 April, the government presented its staggered exit strategy. In the first phase, starting on 20 April, construction sites, craft & gardening enterprises and stores, and recycling centers will re-open. On 4 May, final-year secondary classes and professional school have resumed. In a second phase, starting 11 May, the remaining secondary school students returned to classes. In a third phase, starting 25 May, elementary school, kindergartens and nurseries will re-open. Further phases, including the reopening of the restauration and retail sectors,

will be decided at a later stage. Employers, as well as the civil service should continue to revert to working from home solutions where possible.

- The situation is continuously monitored, including through systematic testing, to inform decisions and adapt the strategy if necessary.
- Schools re-open progressively in line with the staggered exit strategy (cf. above). A weekly rotation system between classes is in place to minimise contact. Additional protective measures are being implemented.
- Under strict sanitary requirements, all medical activities resumed on 4 May and retirement and nursing homes permit visitors.
- From May 11 onwards, the following activities may restart/reopen: (i) outdoor gathering of up to 20 people in the open air and in strict compliance with sanitary requirements may take place; (ii) private gathering with maximum 6 guests may be held; (iii) libraries and museums may reopen, subject to a maximum number of visitors; (iv) outdoor and non competitive sports activities without physical contact may resume.
- The COVID-19 Task Force has developed a “Large Scale Testing Strategy” based on a voluntary diagnostic test, accessible to the population, as well as cross border commuters.
- As of 20 April, wearing masks will be mandatory if social distancing cannot be respected. Every resident has received a kit of 5 masks. A second distribution of 50 protective masks for each person aged 16 and over has been decided on 5 May. Cross border workers will also be supplied with masks.

The overall package of health and economic measures is estimated at total of €10.4bn or 17.5% of GDP – as of 29 April 2020. Please note that this figure does not take into account any developments or measures announced after that date.

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- On 4 April, the authorities announced the creation of two funds, for a total of HUF 2,000 bn (4.3% of GDP):
  - 1) an Economic Recovery Fund to restart the economy and support the job market, amounting to HUF 1,345 bn (2.9% of GDP). It will be financed from (reshuffling of) existing budgetary chapters: HUF 922 bn from the ministries, and HUF 423 bn from the employment fund. The Economic Recovery Fund will partly finance stimulus measures.
  - 2) an Epidemic Prevention Fund, amounting to HUF 663 bn (1.4% of GDP). It will be financed from: (i) budgetary reserves, (ii) extraordinary taxes of HUF 91 bn on taxes levied on multinational companies (HUF 36 bn) and the financial sector (HUF 55 bn), (iii) partial shift of car taxes for HUF 34 bn from municipalities/local governments to the central budget, and (iv) the compulsory repayment of half of the budgetary support to political parties. This Fund finances health-related expenditures, such as purchasing medical equipment, building temporary emergency hospitals (a container hospital), etc.,. It will also finance the salary increase of medical staff.
- Measures adopted so far include:
- Expenditure measures

- The Hungarian Tourism Agency allocated HUF 1 bn (0.002% of GDP) to cover damages in tourism.
- The government allocated and almost entirely spent HUF 592.7 bn (1.3% of GDP) for the medical emergency (purchasing additional medical equipment, supply and investments related to the pandemic).
- All maternity leave benefits (GYED and GYES) are prolonged until the end of the state of emergency (HUF 9.4 bn or 0.02% of GDP).The government announced a wage supplement of HUF 500,000 due in June/July for health care workers, which will cost the budget around HUF 70 bn (0.15% of GDP). Also, nurses and health care professionals will receive a 20% wage increase in November (in line with the original budgetary plans), amounting to more than HUF 80 bn.The foreign language study visits will be postponed from 2020 to 2021.
- A wage subsidy scheme (Kurtzarbeit) that covers 70% of the amount of net wages lost because of shortened shifts (HUF 150.5 bn or 0.3% of GDP).
- A wage subsidy of 40% of the wage for those who work R&D sector (HUF 23.5 bn or 0.05% of GDP).
- Families and pensioners will get extra backing, e.g. the 13th month pension will be gradually launched as of 2021 (in February 2021, in addition to the January pension, retirees will receive a one-week pension; this will happen in 2022, 2023 and 2024 as well).

- Tax measures

- Sectors that were severely hit by the pandemic (e.g. tourism, restaurants, entertainment venues, sports, cultural services, transportation) will be exempted from paying social security contributions, payroll taxes and kiva (small business tax). The employee contribution will be lowered until 30 June.
- Small businesses under the simplified small business oriented tax regime (KATA) in 26 activities (e.g. personal transport services, beauty services, dental services, accommodation etc.) are exempted to pay taxes, for the months March-June 2020. This involves more than 81,000 small enterprises.
- The tourism development contribution will be temporarily cancelled.
- Employer's social security contribution tax rate will decrease by 2 percentage points from 17,5% to 15,5% from 1 July 2020.
- Enforcement measures arising from tax arrears have been suspended.
- A tax deferral within the year (from May to September) for annual tax returns, special payment facilities and the acceleration of VAT refunds have been introduced.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
- Entertainment facilities are closed, while restaurants and cafeterias may remain open until 3 pm. as from 17 of March for an indefinite period
- Shops are allowed to remain open until 3 pm. There is no opening restrictions on food retail, pharmacies and shops for other essential products as from 17 of March for an indefinite period
- People older than 65 years can go to groceries, pharmacies, drugstores or market halls only between 9 AM and 12 AM. In this time- period customers in other age cannot enter these facilities.
- Customers cannot enter catering units, except taking out pre-ordered food.
- Employment regulations will be temporarily amended to allow for teleworking, home office, and different or flexible work hours, while also authorising employers to take the necessary measures in order to inspect the health of employees. Employers and employees may separately agree to other conditions.



- Short-term loans to businesses will be extended to 30 June.
- The average annual interest rate on new consumer credit cannot exceed the central bank's base rate of 0.9% plus 5%.
- The cabinet adopted a loan repayment moratorium on all existing commercial bank loans (until the end of 2020) by the Central Bank of Hungary.
- A moratorium on loan repayments of commercial banks for the Central Bank within the "Funding for Growth" Scheme has been also adopted.
- The Central Bank of Hungary has suspended the minimum-reserve requirements towards banks
- The Central Bank of Hungary has introduced new secured credit facilities with fixed interest-rates. The repayment terms are 3, 6, 12 months and 3 or 5 years.
- Large enterprise-loans have been added to the list of collaterals.
- New foreign exchange swap tenders have been introduced and are held on a daily basis. The maturity of the tenders is one week.
- Hungary submitted several state aid measures for approval for 3.1% of GDP, including grants, subsidised loan, guarantees and the wage subsidy scheme for R&D jobs.
- Rental fees are frozen in the hardest hit sectors. Evictions and confiscations have been suspended.
- Other
- Curfew-type restrictions are imposed: one can leave his/her home only with duly justified reasons (e.g. going to work, receiving medical treatment, purchasing food etc.)
- All education institutions are closed as from 16 of March for an indefinite period.
- Borders are closed for travellers, except for returning citizens and residents. In some cases, transit is still permitted (e.g. supply of goods)
- Increasing the contactless limit from HUF 5,000 to HUF 15,000 serves to slow down the epidemic as it reduces the need for customers using bank cards to come into physical contact with PIN terminals.
- Army teams are being deployed in 84 strategic companies (in telecom, food, pharmaceutical and gas supply sectors).
- Construction of an emergency epidemiology hospital has started, 4 major hospitals outside of Budapest are prepared in case to receive newly infected people at any time+ multiple departments of other hospitals and a privately owned hospital are transformed to host coronavirus-patients
- two military tent-hospitals have been set up for pre-classification of patients
- A building of Hungary's major exhibition hall has been transformed into a temporary hospital.

**MT**



The Maltese government has introduced measures to counter negative impacts of COVID-19 in several phases. The first set of measures was announced on 14 March focussing on tax deferrals and support of remote work, with little specification of the extent of fiscal costs. On 18 March the government announced a financial package containing mainly guarantees and tax deferrals to ease liquidity situation of companies and self-employed. It also included support for disabled and families with children where parents could not work remotely. On 24 March the government announced measures which concentrate on wage subsidies. The estimated fiscal impact of these measures is some 4.1% of GDP assuming that they would last for 6 months and the uptake would be around 75%. The liquidity measures (i.e. guarantees and tax deferrals), with no immediate impact on the deficit, amount to some 8.3% of GDP. On April 16 the government announced interest rate subsidies on bank loans for businesses hit by

## COVID-19 pandemic.

- Expenditure measures
  - Employers with teleworking workers are entitled to 45% refund of costs for investing in ICT facilities (up to EUR 500 per worker). Employers are only eligible if they did not have employees with active teleworking agreement prior to the 15th of February 2020.
  - Businesses who have employees on mandatory quarantine shall receive a grant of EUR 350 per employee.
  - Individuals whose full-time employment has been terminated as of 9 March 2020, shall be entitled to a temporary benefit of up to EUR 800 a month.
  - Families with children where both parents work and are unable to work remotely and therefore require leave to care for their children, shall be entitled to two months additional leave and shall be paid a benefit of EUR 800 per month.
  - Persons with disabilities who are unable to work from home and are unable to go to work due to health complications which may arise due to COVID-19, shall be entitled to a benefit of EUR 800 per month.
  - Government will increase the rent subsidy for those families where one dependent had his/her employment terminated. Furthermore, rent subsidies granted by the Government shall increase for those families who already live in accommodation which is subsidised and where one family member has had their employment terminated.
  - Full time employees of enterprises operating in sectors that suffered drastically due to the COVID-19 pandemic or had to temporarily suspend operations on the order of the Superintendent of Public Health will be entitled to up to five days' salary per week based on a monthly wage of EUR 800. This includes all self-employed. Employers agreed to fork out an additional EUR 400 per worker to ensure a monthly salary of EUR 1200. Part-time employees will be eligible up to EUR 500 per month.
  - Full time employees of enterprises in other adversely affected sectors, including wholesale, manufacturing and warehousing will be entitled to one day's salary per week, equivalent to EUR 160 per month. Part-time employees will be eligible to one day's salary per week, equivalent to EUR 100 per month.
  - In the case of enterprises in other adversely affected sectors based in Gozo (Malta's sister island), the entitlement will be two days' salary per week equivalent to EUR 320 per month for full-time employees, whilst for part-time employees, the entitlement will be EUR 200 monthly. Self-employed operating their own business pertaining to other adversely affected sectors in Gozo will be entitled to two days' salary per week, equivalent to EUR 320 per month. This will increase to 3 days' salary, equivalent to EUR 480, for those self-employed businesses who employ staff.
  - Financial assistance towards the healthcare spending to combat COVID-19 is estimated to reach some EUR 130 million.
  - Government will be financing up to 2.5% of the interest rates on bank loans taken out by businesses hit by the COVID19 pandemic. The measures is envisaged to last two years with annual costs of EUR 20 million.

- Tax measures (distinguish tax deferrals from other measures)<sup>1</sup>
  - Deferral of taxes, including, PT, VAT, and NI, for March and April to a later date. This deferral is estimated to improve liquidity by EUR 700 million (5.5% of GDP).
  - Speed up of payments (e.g. VAT refunds) to private industry to sustain the financial liquidity of employers and self-employed.
  
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
  - The government allocated EUR 350 (2.8% of GDP) for guarantees on company loans through the Malta Development Bank. This amount can guarantee up to EUR 780 million (6.1% of GDP) of new loans extended by commercial banks.
  - 6-month moratorium can be requested from banks in relation to both personal and business loans
  - Those sectors hit by the measures being taken by government to curb the spread of Covid-19, are eligible for the benefits mentioned here above to safeguard employment.
  
- Other
  - Closed sea and air connections from all countries. All commercial flights were suspended from 21 March. The Airport remains only in operation to facilitate the arrival and departure of cargo, humanitarian and ferry flights.
  - Closure of all schools, childcare centres and universities from 13 Mar until 20 Mar. This decision was revised to keep these institutions closed until further notice.
  - All bars, restaurants, gyms and other places of social interaction were shut down from 17 March.
  - Mandatory 14-day quarantine for all people arriving on the island
  - Measures with respect to third country nationals:
    - All enterprise that terminate the employment contract of one of their employees shall be prohibited from offering an employment contract to third country nationals;
    - Only applications for highly-skilled third country nationals shall be considered; and
    - Third country nationals whose employment has been terminated shall be provided assistance in order to find alternative employment.
  - Jobsplus shall provide assistance to Malta resident individuals and third country nationals whose employment has been terminated and shall also assist with work permits. Moreover, Jobsplus shall also provide assistance to employers with respect to recruitment of new employees.
  - Closure of non-essential retail and services. These businesses are; clothing, sportswear, jewellery, handbags and leather goods, costume jewellery and accessories, footwear, non-prescription eyewear, perfumeries, beauty products, haberdasheries, soft furnishings, household appliances, souvenir shops, discount stores, luggage shops, toy shops, hobby shops, furniture, florists and vaping shops.
  - Lockdown as of 28 March for persons of over 65 years, as well as other persons considered to be a risk group (e.g. people with chronic diseases, such

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<sup>1</sup> Together with the teleworking subsidy, the official estimate is that measures amount to EUR 100 mln.

diabetics; persons making use of biological medicines, persons who have been on chemotherapy in the past six months, persons who suffer from immunosuppression, pregnant women, people with respiratory complications). This measure is expected to affect around 118,000 people. These people are not allowed to go to work and will be offered special quarantine leave.

- Police will be deployed to disperse gatherings of more than 5 people following reports of various cases where small groups of people gathered in public areas to socialize despite the existing restrictions and closures of various businesses.

NL



Since mid-March, the authorities have implemented a comprehensive package of emergency measures with the aim to avoid structural damage to the economy and to address the socio-economic consequences of the crisis. The main areas concern: (i) spending and investment on healthcare; (ii) income and employment support for self-employed and - via corporations through a work-time reduction benefit scheme – for employees; (iii) tax measures; (iv) financing and credit measures; and (v) sector specific measures. The measures are designed to be temporary (giving support for three months), timely (applicable as soon as the crisis started) and targeted (to the most affected sectors). The expected budgetary impact for 2020 amounts to around EUR 20 bn (2.7% of GDP, 24 April 2020). Measures are being adapted or might be prolonged as the situation evolves, and new measures are being implemented on an ongoing basis. Moreover, automatic stabilisers are allowed to operate in full, leading to a substantial endogenous deterioration of the budget balance as a result of the implications of the COVID-19 outbreak on the Dutch economy.

- Expenditure measures
  - Companies facing at least 20% revenue losses over 3 months get support of up to 90% of their wage bill through the new temporary emergency bridging measures for sustained employment (*Tijdelijke Noodmaatregel Overbrugging voor Werkbehoud – ‘NOW’*). The estimated costs total EUR 10bn (1.3% GDP) for the three-month period (24 April 2020). The Employee Insurance Agency (UWV) will pay a deposit beforehand to the employer, who in turn can continue paying the employees’ wage bill. Employers using the scheme must commit to not firing their employees on economic grounds, and to continue paying the full salaries of their employees (including those with a flexible contract), as the allowance will be adjusted downwards afterwards if the total wage sum had declined. The measure provides retroactive support as of 1 March and as of 1 May 2020 around 1.7 million employees have received compensation.
  - Temporary income support is also provided for self-employed and independent contractors (*Tijdelijke Overbruggingsregeling Zelfstandig Ondernemers – ‘TOZO’*). For a maximum of 3 months, the measure provides for income support up to the social minimum - a maximum of EUR 1,050 per month for singles and EUR 1,500 for couples. Moreover, self-employed with liquidity problems are eligible for a government-supplied loan to supplement their working capital of up to EUR 10,156, with an interest rate of 2% and a maturity of 3 years. The estimated cost is EUR 3.8bn (0.5% GDP), of which EUR 1.5bn consists of direct support to self-employed, EUR 2bn consists of credit lines, and EUR 300 million consists of implementation costs for local governments.

- Moreover, entrepreneurs who have experienced a drop in turnover of at least 5% as a direct result of the mid-March mitigation measures (such as mandated closure, the prohibition of gatherings and the negative travel advice), are eligible for an unconditional, one-off compensation of EUR 4,000 (*'Tegemoetkoming Ondernemers Getroffen Sectoren Covid-19 - TOGS'*). On 1 May 113,000 requests for TOGS have been approved and EUR 452 million has been paid.
- *Tax measures*
  - Tax deferrals are granted for 3 months, until at least 19 June 2020. The tax deferral applies to a whole set of taxes such as: income tax, corporate tax, revenue tax, taxes on wages, vat tax on alcoholic beverages, rental fee tax and energy tax. The estimated amount of taxes affected is EUR 46 billion (6.1% of GDP). The main aim is to prevent short-term liquidity issues to morph into insolvency.
  - Moreover, measures were introduced to limit the administrative and financial burden for companies. These include not collecting fines on late payments and the temporary lowering of interest rates on collectable taxes to 0.01%. Furthermore, large energy users are allowed to delay payment and a VAT exemption is granted to specific companies (.e.g. when producing medical equipment or seconding staff to medical services). The estimated cost is EUR 147 million. A certain flexibility is introduced when reporting fixed contracts and the employee insurances do not need to be adjusted for overtime in 2020.
  - The following smaller measures were also introduced: lower income taxes for self-employed and employers through allowing more costs to be deducted and a more flexible hour counting, lower corporate taxes by allowing profits of 2019 to be compensated by losses in 2020.
  - A change in tourism taxes is under discussion but is not yet operational (13 May 2020).
- *Sectorial, regional measures, or measures other than fiscal (e.g. labour)*
  - Guarantees*
    - SMEs can benefit from an extension of the guarantee to obtain a loan (*Borgstellingskrediet midden- en kleinbedrijf – 'BMKB'*), and the interest rate on these loans has been lowered to 2% (previously 3.9%). Until mid-April, about 1000 firms have received extra credit using this measure, but the expectation is that this number will increase substantially still. SMEs can also ask for a guarantee to refinance short-term loans if necessary. The guarantee ceiling is EUR 1.5 bn, with estimated budgetary impact of EUR 203 million
    - Specifically for agricultural and horticultural companies, the Loan Guarantee scheme for small and medium-sized farms has been extended (*Borgstelling Landbouwkredieten Corona Module – 'BL-C'*). Loans for working capital are temporarily guaranteed by The Ministry of Agriculture, Nature and Food Quality. This is an extension of the The loans have a time line of at maximum 2 years.
    - Furthermore, SMEs and larger companies can make use of an existing – and since expanded - loan guarantee scheme (*Garantie Ondernemersfinanciering-regeling – 'GO', 'GO – Corona Module'*). The guarantee ceiling is EUR 10bn, with estimated budgetary impact of EUR 1.1bn.
    - Entrepreneurs (micro, middle and small firms) in need of a small loan can

apply for credit with state guarantee (*Klein Krediet Corona – ‘KKC’*). The total guarantee ceiling is EUR750 million, (not yet operational, 13 May 2020).

- The Supplier Credit Reinsurance Guarantee (*Garantie Herverzekeren van Leverancierskrediet*) has a guarantee ceiling of EUR 12bn and aims to prevent the short-term turnover market from stalling because suppliers are no longer willing to supply credit. This guarantee has an estimated budgetary impact of EUR 970 mln (not yet operational, 13 May 2020).

#### *Credits*

- Startups, scale-ups and innovative firms that have no link to any financial institution at the moment, might suffer to get a new loan and can therefore turn to regional development agencies to get a loan. The measure entered into force on 29 April (*Programma Corona-OverbruggingsLening – ‘COL’*). Moreover, the firms in this group that have loans with the state (*Vroege Fase Financiering en Innovatiekrediet*) can pay back the loan with a delay of 6 months and the interests will be diminished. Finally, Invest-NL is planning to pay EUR 100 mln into a temporary credit programme for innovative start- and scale-ups (*Tijdelijke Overbruggingskrediet Programma Innovatieve Start- en Scale-ups – ‘TOPSS’*).
- Small companies and self-employed can get a delay of 6 months to pay back the loans they have under the system of microcredits (*‘Qredits’*). Interest rates are lowered to 2%. Others can obtain a new loan under the Qredit system.

#### *Other*

- A turnover support measure is deployed for specific parts of the horticultural sector (*sierteelt, voedingstuinbouw en fritestelers*) with estimated budgetary cost of EUR 650 million.
- Local and regional media can get support from the State to cover revenue losses due to a drop in advertising. The support varies between EUR 6,000 and EUR 33,000 per company. Municipalities are being asked to support the measure by buying advertising space.
- The cultural sector will receive additional financial support of EUR 300 million, on top of the normal subsidies. The aim is to keep employment in this sector and enable the sector to invest in the next cultural season. The total current estimated cost for sector specific measures is EUR 1.4bn (0.2% of GDP).
- The Ministry for Public Health, Welfare and Sports has allocated EUR 800 million (0.1% of GDP) to buying and distributing medical equipment, vaccine research, training of care personnel, and other Covid-19 related measures. In response to the Commissions’ 4 May Coronavirus Global Response Pledging event, the Dutch government has pledged EUR 192 million of support, of which EUR 50 million to vaccine development and EUR 42 million to research on COVID-19. The government has also announced EUR 50 million to the Coalition for Epidemic Preparedness Innovations (CEPI) to support vaccine development.

AT



Since mid-March, the Austrian authorities have implement measures to contain the COVID-19 pandemic and to mitigate consequences for the Austrian economy. A budget envelope of currently EUR 38 bn (10 % of GDP) has gradually been implemented and operationalized. Furthermore, the government has signalled to mobilize additional help

where needed. The following gives a brief overview of these measures.

- Expenditure measures

To support the private sector, the highest priority is an unbureaucratic and fast process. For this purpose, the Austrian government has established the new Covid-19 Finanzierungsgesellschaft des Bundes GmbH (COFAG) that provides guarantees for loans.

- EUR 15 bn **Corona aid-fund** (Corona Hilfs-Fonds): This instrument will provide direct liquidity provision and transfers for running costs for enterprises and industries that were hit hard by the crisis in accordance with the temporary State-Aid framework.  
Single point of contact for firms is their business bank. The bank forwards the application to either the Oesterreichische Kontrollbank (OeKB), to the Austrian Wirtschaftsservice (aws) or the Österreichische Hotel- und Tourismusbank (ÖHT), depending on the case. The COFAG provides the necessary guarantees.
- EUR 9 bn for **credit and loans**: Single point of contact is again the business bank. Liquidity will again be provided by the OeKB, the aws or the ÖHT depending on the nature of the case.
- EUR 4 bn for **immediate help**
  - o **Hard-ship cases**: The Austrian Government recognizes that many small firms are in trouble. In order to help those affected, transfers to self-employed persons (SPCs, very small firms, freelancer, artists, etc.), agricultural enterprises and NPOs have and will be disbursed in a two-phase model.  
Phase 1 granted transfers of EUR 500 or EUR 1.000 dependent on last year's net income. Applications were possible from 27 March to 17 April.  
Phase 2 grants transfers of up to EUR 2.000, dependent on the fall in revenues experienced, for up to three months. Applications for Phase 2 started on 20 April and are possible until the end of 2020.
  - o EUR 100 mio for **additional funds for caretaking**: In an effort to defend the weakest in the current situation, an extra fund for the care of the elderly has been established.
  - o EUR 36 mio **additional research funds**: The Austrian government commits to boosting research efforts to find a way out of the current situation. Therefore, additional research funds are being disbursed.
  - o EUR 130 mio have been mobilized to guarantee the supply of necessary **medical equipment**.
- EUR X bn **short-time work scheme**: The strain on the working population is enormous. By 21 April 900.000 jobs are affected by short-time work. Therefore, the Austrian government has implemented a rigorous scheme to combat the effects of the current situation. Working hours can be reduced by up to 90 % on average over a given period. During sub-periods, working hours can even be reduced by 100 %. The Austrian government will reimburse employers for 80 % to 90 % of the employee's last net income, dependent on last gross income and up to EUR 5.370 (apprentices receive a replacement rate of 100 %). Social Security Contributions (SSC) from the employer's side are also covered. Workers can be requested to use their pre-2020 vacancy time and to run down over-time hours. For liquidity purposes, firms can use confirmations of the Public Employment Service Austria for short-time work to faster access bridge loans from business banks. The duration of short-time work is limited to 3 months with the possibility to reapply for another 3

months later.

- Tax measures
  - EUR 10 bn for **tax deferrals**: A number of tax deferrals for VAT, corporate and income taxes have been made possible until the end of September. Furthermore, firms affected can claim a deferral of SSC for the months of February to April.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
  - Austrian authorities have enforced a country-wide curfew since 16 March. However, the lockdown will be eased, and stores (incl. services without tourism, restaurants or leisure) will re-open after 1 May. A gradual easing of the lockdown for schools, churches and restaurants is planned until 15 May. Plans on allowing visitors for homes of the elderly have been announced. Quarantines will also be lifted in some previously very affected areas.
  - There is a standing obligation for all persons to wear a face-mask in retail-locals and a recommendation to do the same in all other public places, e.g. public transportation.
- Other
  - A number of hotlines, such as a coronavirus hotline has been set up to provide general information on contagion, symptoms and prevention.
  - The ministry of social affairs, health, care and consumer protection established a taskforce of experts to provide medical-scientific advice and is equipped for crisis management.

PL



- Expenditure measures

A special 'coronavirus' law voted early March :

- A special allowance to be paid for parents to take care of children in case childcare facilities are closed/quarantined. An employee qualifying for emergency leave to take care of his/her child under the age of 8, is entitled to an additional care allowance, under state insurance cover. This applies to persons, whose children attend public or private schools, kindergartens, crèches and children's clubs.
- Public procurement rules to be circumvented for coronavirus-related (medical) material.
  - Stock of companies / pharmacies of coronavirus-related (medical) material can be seized (compensation to be paid by the state).

A package of measures to support economy in force since 1 April 2020:

1. **protecting jobs and supporting employees (maximum spending: PLN 24 bln, liquidity: PLN 6 bln, a total of 1.4% of GDP)** – this includes amongst others: compensation of a part of salaries in companies which recorded a deep decline in revenues (assuming reduction of the working time to 80%: 40% of the salary to be paid by the company and 40% to be paid by the state), exemption from social security contributions for 3 months, a benefit to self-employed and employed on civil contracts, a benefit for parents who need to stay home to take



- care of small children (schools are closed), benefits for persons who take care of disabled person, or dependent adult family member, extension of deadlines for 2019 PIT settlements.
2. **supporting companies (maximum spending: PLN 5 bln, liquidity: PLN 68 bln, a total of 3.2% of GDP)** – this includes amongst others: public guarantees, preferential credits and loans, financing leasing for transport companies, deferrals of social security contributions payments, not applying fines for delays in public tenders.
  3. **spending on health (maximum spending: PLN 7 bln, 0.3% of GDP)** – this includes primarily costs of fighting the pandemics.
  4. **financial system liquidity (liquidity: PLN 70 bln, 3% of GDP)** – this includes primarily measures aimed at rising liquidity, lowering the cost of money and facilitating credit creation on the Polish government bond market.
  5. **public investment** – an envelope of PLN 30 bln (1.4% of GDP) to be invested in selected areas – currently not clear if this is about new spending or pulling already planned investment under one umbrella of a new fund that will be created as a part of the package.

An addendum to the above package of measures has been passed by the parliament and entered into force on 17 April. Its main features encompass:

6. Extension of the subsidies to wages,
7. Exemption of medium-sized companies from a part of social security contributions' payments,
8. Granting preferential loans to micro-companies (that can be cancelled).

The total cost of the above additional measures may amount to PLN 17-22 bln (0.8-1% of GDP).

On the 26 April, the government adopted a measure consisting in a package of loans to companies that can amount up to PLN 100 bln (over 4% of GDP). A part of those loans (up to PLN 60 billion, over 2.5% of GDP) can be further cancelled under certain conditions (continuation of operations after the end of epidemic restrictions and preserving jobs). The loans are granted by the Polish Development Fund which in turn issues bonds to finance the operation. Bonds are guaranteed by the state and bought by the central bank. Technical details of those operation are differentiated depending on the size of companies (micro – up to 9, SME – 10-250 and large – over 250 employees).

- Tax measures

A package of measures to support economy in force since 1 April 2020 includes amongst others:

- Postponement of the date of entry into force of the new tax obligations;
  - facilitation of the suspension of business activities;
  - inclusion in the tax-deductible costs of expenses related to cancellations of trips;
  - temporary postponement of payment deadlines of VAT;
  - social security contributions deferrals, redemptions or stage payments;
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
    - All schools and universities throughout the country closed from 16 March. The decision affects both public and private facilities. All cultural institutions, incl. theatres, operas, museums and cinemas are also closed

- down from Thursday, 12<sup>th</sup> March. All mass events are revoked.
- Under the special 'coronavirus' law voted early March, employers would be able to instruct employees to work from home in an effort to prevent the spread of the Covid-19 virus. The employer may instruct an employee to work, for a fixed period of time, outside his/her current permanent workplace.
- Commercial flight operations halted in general.
- Other
  - State of epidemic emergency in place since 13.03.2020.
  - People to stay home, except in case of justified cases (journey to work, doctor, pharmacy, shop etc).
  - Entry of foreigners without a permanent residence permit is not allowed.
  - Poles entering the PL territory subject to a 14-day quarantine.
  - Transit of goods allowed. Professional drivers exempt from the quarantine.
  - Education and cultural institutions, including schools and universities, closed from 16 March.
  - Work permits for foreign workers extended.
  - Liquidity increasing measures: see above on the special package of measures

PT

#### Expenditure measures



#### **National Health System** (most measures announced on 13 March)

- Exceptional HR regime, including: a) suspension of overtime limits; b) simplifying the hiring of workers; c) worker mobility; d) hiring retired doctors without being subject to age limits.
- Exceptional regime for public procurement and expenditures in the health sector (including ventilators, protective equipment, diagnostic support material).
- Exceptional regime for the composition of medical boards to assess needs of people with disabilities.
- National Contingency and Response Plan for Disease by the new Coronavirus (field hospitals, reinforced support line SNS24, public awareness campaign).
- Extensive testing implemented across the country and proactive tracing of potential positives. Specific programme for nursing homes testing (since 30 March). Two new diagnostic centres (since 30 March).
- Reinforced measures to support mental health: regional plans and microsite with contacts, Q&A, detailed information on approaches to the challenge, including for health professionals.
- Reinforced measures to tackle domestic violence: strengthened and diversified dissemination of info about support and helplines, safety advices and alerts. Two new emergency shelters.
- Maximum limit of 15% in the percentage of profit on the sale of medical devices and protective equipment, as well as ethyl alcohol and alcohol-based cutaneous disinfectant gel.
- Waiving VAT and customs duties on vital medical equipment (protective equipment, testing kits or medical devices such as ventilators), until 31 July.
- Reduced VAT rate on masks and disinfectant gel (*announced*).

**Labour Market** (most measures announced on 13 and 26 March)

- 14-day prophylactic isolation status made equivalent to illness for purpose of social protection (benefit amounting to 100% of remuneration, no waiting period). This also includes self-employed workers.
- Justified absences scheme for family support related to impact of COVID-19.
- Financial support, for workers who need to stay at home to take care of children up to 12 years old not able to go to school, worth 2/3 of the gross wage (equal share by employer and Social Security); special financial support for self-employed, worth 1/3 of the median compensation.
- Simplified lay-off regime for companies (activity substantially affected), whereby workers are entitled to 2/3 of the gross wage (30% employer, 70% Social Security), up to a maximum of 6 months. Employers participating in this regime cannot dismiss/fire workers.
- Extraordinary support to maintain jobs, after the end of lay-off or closure of the establishment by the Health Authority (first-month wages supported, up to limit of one minimum wage per worker).
- Companies exempted from Social Security contributions in lay-off or closure determined by the Health Authority, as well as on the first month after the resumption of activity.
- Special support to self-employed (affected activity) and deferral of social contributions.
- Extraordinary support for vocational training (50% of worker's remuneration up to the minimum wage, including training costs), for non-employed in productive activities for a considerable period (19 March).
- Extraordinary extension of unemployment benefits and all benefits of the Social Security system, whose concession or renewal period ends before the prevention measures cease.
- Social benefits for those supporting social and health entities (re-insertion social programmes).
- Reinforced powers of Authority for Labour Conditions (ACT) to act against irregular dismissals.
- Suspension of Social Security lien foreclosures for 3 months.
- Temperature control allowed in workplace (safeguarding data protection) (announced on 1 May).

*Tax measures (last updated on 26 March)*

- Deferral of tax payments for companies and self-employed (VAT, PIT and CIT), due on Q2 2020. Including payment on account, additional payment on account and special payment on account. Automatic eligibility for all companies in what regards CIT. For VAT and PIT, automatic eligibility for companies up to €10 million turnover, companies and self-employed open for business in 2019, companies and self-employed having closed by decision of the Health Authority, and companies and self-employed with turnover loss of +20%.
- Reduction of social contributions due on Q2 2020 to 1/3; deferral of remainder 2/3 to Q3 2020 (fractional payments). Automatic eligibility for SE and companies up to 50 jobs. Companies up to 250 jobs, if turnover loss of +20%. Larger companies if they have seen a drop in turnover of 20% or more and operating in tourism sector, civil aviation or others closed to the public.
- Suspension of tax or contributory enforcement proceedings for 3 months.

### Measures supporting economic activity

#### **Liquidity support and credit to companies** (announcement on 13 and 16 March)

- €13 billion schemes, approved by the European Commission (on 4 April), which enable Portugal to provide direct grants and public guarantees on loans to help SMEs and large companies cover investment and working capital needs, during outbreak, including a credit line guaranteed by the State through banking system (€3bn): 1) restaurants (€600M); 2) travel agencies (€200M); 3) tourism (€900M); 4) industry (€1.3bn).
- Credit line for treasury support to companies most affected by COVID-19 (€400 million).
- Credit line for treasury support to social economy sector (€165 million), due to COVID-19 impact.
- Credit line for micro-enterprises in the tourism sector (€60 million).
- Credit line (subsidised) aimed at operators in the fishing and aquiculture sectors (€20 million).
- Increased ceilings for export credit insurance schemes for metallurgic, mould, metal and mechanical industries (+€100 million), construction abroad (+€100 million), short-term exports (+€50 million).
- Suspension of termination of rental contracts and possible moratorium in case of income loss. Tenants and landlords with reduced income can use loans from the Institute of Housing and Urban Rehabilitation (IHRU) to pay rent.
- Suspension of termination of essential services (water, electricity, natural gas, telecom).
- €25M package to support the entrepreneurship ecosystem: 1) Start-up COVID-19 (financial support per worker); 2) Start-up Voucher (3-month automatic prorogation); 3) Voucher to support start-up incubators; 4) Mezzanine funding for start-ups; 5) Funding call by Portugal Ventures (investment); 6) €200 million Fund (co-investment in SME); 7) Co-investment fund for social innovation.

#### **Financial sector** (announcement on 16 March)

- Public moratorium (covering principal, interests and other charges) applied to loans granted to natural persons (regarding mortgages for permanent residence and of those most affected - unemployed, laid-off, providing assistance to child/grandchild, in prophylactic isolation or ill due to COVID-19), to loans granted to NFC, to individual entrepreneurs and to private social solidarity institutions, non-profit organisations, as well as other social economy entities. Requirements apply (e.g., loans cannot be overdue for more than 90 days).
- Suspension of min taxes for businesses on POS payments, by main banks (digital payments with no minimum value for transaction). Higher max limit for contactless transactions.
- Suspension of fees charged for payment transactions via digital channels (namely home-banking or payment applications) for bank customers affected by the COVID-19 pandemic, until 30 June.
- Higher max limit for contactless transactions.
- Banking supervision will allow less significant institutions to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G), the capital conservation buffer (CCoB) and the liquidity coverage ratio. Other measures implemented by supervisory and resolution authorities, to reduce banks' operational burden (e.g. extension of deadlines of non-essential reporting).
- 2020 stress test exercise for less significant institutions postponed, in line with EU-

wide stress test.

- New personal credit (maturities up to 2 years), granted between 1 April – 30 September, identified as intended to mitigate households' temporary liquidity shortages will not have to comply with the DSTI ratio threshold and are exempted from the recommendation of regular principal and interest payments.
- Banco de Portugal recommendation to less significant institutions to avoid dividend distributions and stock buybacks until 1 October.
- Banco de Portugal recommended less significant institutions to mitigate procyclical effects by considering applying for IFRS 9 transitional rules foreseen in the CRR.
- Banco de Portugal implemented EBA Guidelines on legislative and non-legislative moratoria on loan repayments, with conditions not to trigger default of obligor and assessment of distressed restructuring.

### **Planning and EU funds**

- Acceleration of payment of incentives within the framework of PT 2020 – to companies and other promoters (e.g., local authorities, social institutions, universities).
- Acceleration of payment of incentives within Agricultural funds to farmers.
- Moratorium on the amortisation of reimbursable subsidies for 12 months for the obligations falling due until 30 September, within the framework of NSRF and PT 2020.
- Introduced more flexible procedures with agricultural and EU funds.
- Review of the PT2020 programming, including financing for the development of vaccines, treatment and technology related to COVID-19, and to convert production of companies.
- Expenses incurred in cancelled events continue to be eligible under PT2020.
- Programme to support commerce and services (micro and small companies), €60 million (announced on 4 May).
- Acceleration of all payments of goods and services by the Public Administration.

### Other measures

#### **Crisis management**

- State of emergency since 18 March (updated on 2 and 17 April) until 2 May, with restrictions to the freedom of movement and the freedom of economic activity.
- State of calamity announced on 30 April, from 3 May until 17 May, including civic duty of confinement, use of PPE (mask) in public transport and closed public spaces, and gradual reopening of the economy.
- Ministerial level crisis management office to tackle COVID-19 impacts.
- Regional coordination by team of 5 Secretaries of State, to focus on NUTS-2 regions.
- Technical task force to assess and implement epidemiological measures due to COVID-19.
- Info counters in several services strengthened to provide support on COVID-19 related issues.
- Public entities requested to draw up contingency plans.
- Platform with all national initiatives and emergency contacts (covid19estamoson.gov.pt) and reinforced reach out in social media (Facebook, Instagram, Twitter).
- Reinforced control of stocks and price speculation, by Economic/Food Safety Authority (ASAE).
- Civil protection network with capacity for accommodation, in cooperation with

Armed Forces.

### **Home Affairs**

- National Emergency Plan for Civil Protection (coordination at national, regional, local levels).
- Reinforced capacity of fire brigades for rescue situations and transport of sick persons.
- Temporary regime to financially support humanitarian fire brigades (announced on 30 April).
- National reserve of protective equipment for medical emergency workers and fire brigades.
- Suspension of the counting of terms of the lease contracts, guaranteeing the right to housing.
- Guarantee of provision of electronic communications services to the general population.
- Exceptional regime of administrative fixing of bottled liquefied petroleum gas prices.

### **Public Administration**

- Public authorities automatic extension of documents' expiration dates until 30 June, considering citizens may be unable to renew or obtain relevant documents necessary to exercise rights.
- All foreigners having pending processes within the Immigration Authority (SEF) on 18 March (when the state of emergency was declared) are temporarily granted the same rights as permanent residents (access to healthcare, social security, housing, employment, banking), until 30 June.
- Residency authorizations to expire after 24 February are now valid until 30 June.
- Coordinated response to tackle needs of Roma population with Migrations Authority (ACM).
- Exceptional measures on technical inspections of motor vehicles and trailers, until 30 June.
- Limitations to access to online gambling during state of emergency, to protect consumers.

### **Justice System**

- Specific regime of just impediment and suspension of procedural deadlines whenever impediment of facilities determined by decision of Health Authority or other public authority.
- Exceptional regime for easing the execution of sentences (up to 2 years) and pardons.

### **Education**

- Suspension of all classroom activities in person (academic and non-academic) in educational establishments (Nurseries, Schools, Universities), starting 16/3. Re-assessed on 9/4: 1) classes restarted on 14/4; 2) assessment maintained (except 9th grade); 3) distance education at primary level; 4) presential classes for high school exam-takers (exam period 6-23 July).
- Capacitation for the transition towards distance education (online platforms), including with a programme for Teaching in Digital Networks (Formação para a Docência Digital e em Rede).
- TV-schooling for primary level education through RTP Memória, starting on 20/4.

### **Research and Development**

- Research 4 COVID-19 (call for projects, 24 March to 5 April): support to innovative solutions of rapid implementation in the NHS, in response to the pandemic (€1.5 million).
- AI 4 COVID: Data Science and Artificial Intelligence in Public Administration (€3 million).
- Science 4 COVID-19 platform launched on 4 April, with ideas, publications and initiatives from the scientific community for cooperative work to tackle COVID-19.
- INOV 4 COVID-19: innovation support line to foster the development of a ventilator prototype.
- University labs developing prototypes for test kits and swabs; innovation centres developing ventilators and textile equipment to cope with country's needs and capacitate the industry.
- Novartis (Portuguese company) developing vaccine in EU consortium.
- Coronavirus Global Response (vaccine and treatments) donation of €10 million (public and private).

### **Culture**

- Emergency support financing to artists and entities most affected (€1 million).
- Resolution mechanism to protect cancelled cultural and artistic shows.
- Support to bookstores and publishers to strengthen Portuguese cultural centres abroad (€400 thousand).
- Anticipation of €15 million in the acquisition of institutional advertisement (support to media).
- Closure of all national monuments and places of cultural activities (both public and private).

### **Agriculture and Fisheries**

- Promotion of more flexible foods markets, improving production flows in local communities. To promote the sales channels for local products (80% of daily expenditure to delivery points).
- Public national campaign "Alimente quem o Alimenta" to promote local foods markets.
- Access to Trade Control and Expert System (TRACES) to allow for the online management for all sanitary requirements on intra-EU trade and importation of animals, food, feed and plants.
- Suspended fishing activities on weekends between 10/4 and 31/5, to adjust supply/demand.

### **Foreign Affairs and Cooperation**

- Review of Strategic Programmes for Cooperation between Portugal and Portuguese-speaking African countries (PALOP) and Timor-Leste, to cover social sectors: healthcare, labour market, social security, energy, water, sanitation and hygiene (WASH). Including EU delegated cooperation.
- Co-financed support line for NGOD in the field of healthcare (€750 thousand).
- Co-financed support line for development projects by ONGD (€1.8 million).
- Anticipation of support transfer to the State budget of Cabo Verde (€500 thousand).
- Anticipation of the national contribution to the FASE Fund (education) in Mozambique (€250 thousand).
- Additional contribution to the UN system (€1 million).

## **Borders**

- Control of land border with Spain started on 17 March by mutual agreement. Suspended air, rail and river connections until 15 April. Movement of goods and persons at 9 border points, including returning home, and access to health units in bilateral health care agreements. Added a 10<sup>th</sup> border point on 4 May.
- Flights to and from Italy are also suspended since 11 March until 21 April.
- Suspension of flights from/to extra-EU on 19 March (EU coordination). Exceptions: flights to countries with strong presence of 4,000 PT communities (CA, US, UK, VZ, ZA), with all PT-speaking countries (in BR, only Lisbon-Rio de Janeiro and Lisbon-São Paulo routes), EEA (NO, IS, LI, CH).
- Ongoing repatriation efforts of close to 6,000 PT nationals (at national and EU coordination levels), including specific support to 400+ Erasmus and Erasmus+ students.
- COVID-19 support telephone line for consular emergencies (Portuguese abroad), 13 March.
- Temperature control sensors in airports (Lisbon, Porto, Faro, Madeira, Ponta Delgada), 20 March.
- Airports closed during Easter break, except for humanitarian and repatriation flights (9-13 April).
- Passengers from cruise ships are not allowed to disembark from 13 March.

## **Mobility**

- Mandatory curfew to all tested positive or in active surveillance (in hospital, or at home).
- Special duty of protection to risk group (+70 yo / severe diseases), with call for limited mobility.
- General call to avoid unnecessary displacements and to promote social distancing.
- State of calamity in Ovar, with mobility restrictions to and from this municipality (17 March-17 April).
- Limits to circulation during Easter period, in-between local municipalities (9-13 April).
- 14-day isolation period for all passengers on flights to the Azores and Madeira, since 14 March.
- The Azores built a cordon sanitaire in São Miguel island, between 3-17 April.
- Madeira implemented a cordon sanitaire in Câmara de Lobos (17 April to 3 May).
- Temporary waiver of resting and driving time-limits for transport of goods (27 March-10 April).
- Maximum 2 occupied seats per taxi/ridesharing vehicle (two thirds) (announced on 4 May).
- Maximum of 2/3 passenger capacity for airplanes (exceptions for repatriations) (announced on 4 May).
- Maximum of 2/3 passenger capacity for collective transports (land, river, maritime) (announced on 4 May).

## **Other measures**

- Retail and businesses closed to the public, moving online (exception for essential services).
- Suspension of visits to nursing homes, hospitals and prisons (on weekends).
- Suspension of religious and cult celebrations implying crowded places.



### Other initiatives from civil society

- National volunteering initiative “*Cuida de Todos*” for support in nurseries.
- Tech 4 COVID19 gathers 4k volunteers to tackle challenges in civil society.
- Solidarity project to support free housing of health professionals, on social media.
- Initiative “*Quietinho em casa*” to centralize and educate on delivery services.
- “*Stay Home, Keep Growing*” platform for free events and webinars online.
- COVID.PT and Covindex platforms for the exchange of ideas and projects around COVID-19.
- Mindflow Academy produced mobile gaming apps for a learning experience on COVID-19.
- Platform “*SOS Vizinho*” to support delivery of essential goods in neighbourhoods.
- Platform “*Quero Ajuda*” to centralize volunteering initiatives.
- “*Hora de Encomendar*” helps identify local small and medium suppliers in activity.
- “*Vent2life*” project helps in the recovery of hospital equipment.
- “*Sem Filas*” and “*Posso ir?*” platforms gather real time waiting times in open businesses.

### De-confinement plan announced on 30 April

- General rules, as from 4 May: mandatory usage of masks in public transports, schools and closed spaces; and disinfectant gel. Regular sanitization of public spaces. Max capacity of 5 people/100m<sup>2</sup> and 2/3 in public transports. Social distancing (2m). Prohibition of crowds (more than 10 people).
- As from 4 May: keeping mandatory telework; conditioned access to beaches; funerals limited to family.
- Lifting confinement measures, as from 4 May: small commerce; hairdressers, barber shops, beauticians; public services (assistance counters); auto stands; bookstores, libraries; individual sports; gardens.
- After reassessment, possible lifting of confinement measures on 18 May: kindergartens (optional); 11th/12th grads in high school; restaurants, cafés, pastries and esplanades; stores until 400m<sup>2</sup>; museums and monuments; social institutions.
- After reassessment, possible lifting of measures on 30 May: football (closed doors) and religious ceremonies. And on 1 June: kindergartens, pre-school, recreational centres; administrative service centres (“*Loja do Cidadão*”); malls and other stores; cinemas and theatres.
- Reopening to be determined: bars, clubs, gyms, dentists, fairs and markets.

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### Expenditure measures



#### General

- On 17 April the authorities published the 2020 budget amendment, with an increase of total expenditures by RON 12.5 bn. This includes +6.9 bn on social spending and +3 bn on emergency reserve fund.

#### Health expenditure

- The government has adopted an emergency ordinance (GEO 11/2020) regarding emergency medical stocks, as well as some measures related to the establishment of quarantine, covering the need for products utilized for emergency services, including thermal scanners, as well as measures associated with quarantine (225 mln RON). The law was signed by the President on 17 March.

- The government also adopted two decisions for preparing Romanian medical units to deliver services to patients infected with COVID 19, as well as streamlining priority actions for treatment of critical patients, and for reimbursement of local governments' expenditure related with quarantine (392 mln RON)
- According to an interview given by the Minister of Finance, the Ministry of Health has so far received some RON 1.7 bn (EUR 0.35 mil) on top of their initial budget.
- The Government would like to use an extra EUR 350 million from EU funds for purchasing Covid-19 tests, protective equipment and mechanical ventilation equipment (24 March).
- The Ministry of European Funds announced on 25 March an additional allocation of 682 million EUR from EU funds (ERDF) for the General Inspectorate for Emergency Situations for acquisition of medical and emergency equipment.
- The 2020 budget amendment of 17 April increased the budget for the settlement of medical leave by RON 1 bn.
- The president announced bonuses of app. 500 EUR per month to health workers treating Covid-19 patients. To be adopted by government emergency ordinance on 6 April. The budget amendment provided RON 570 mln of increased allocation for public wages. Possible EUR 120 mln of EU funds (ESF).
- Another measure (announced on 7 April) would mobilise 1,000 social workers caring for elderly that are in home isolation and need support. Possible EUR 30 mln for this from EU funds (ESF).

#### **Labour market expenditure**

- The authorities adopted a benefit of 75% of wage but no more than 75% of the average wage to parents who cannot work remotely and have to stay home with kids younger than 12 years. The budget amendment of 17 April provides RON 1.4 bn for this purpose.
- The government adopted on 18 March and published on 21 March an emergency ordinance (OUG) 29/2020 on supporting local businesses in the context of the crisis caused by the new coronavirus, along with OUG 30/2020 that amends existing regulations to bring them in line with the current conditions. According to the Finance Minister (Facebook post on 19 March), the package of measures presented on 18 March (including technical unemployment and Intervention Fund) represents a budgetary effort of 2% of GDP.
- Based on the ordinance 29/2020, the state will pay the technical unemployment benefits on behalf of the companies who send their employees home and suspend their activity due to the restrictions imposed by the authorities for limiting the coronavirus outbreak or because of financial problems caused by the Covid-19 crisis (revenues in March dropping by at least 25% compared to the average revenues of January-February). It amounts to 75% of the gross salary (as much as the monthly unemployment benefit), but not more than 75% of the (national) average salary. The state will cover the benefits for 75% of the employees of a company. A total of 250,000 labour contracts have been suspended by 23 March, 862,000 by 2 April, 994,407 by 7 April, 1,046,527 by 13 April. On 6 April the Finance Minister estimated that the expenditure on technical unemployment benefit would amount to RON 7bn. The budget amendment of 17 April provides RON 4 bn for technical unemployment benefit and RON 3 bn of additional emergency funds which can be redirected for this purpose. EUR 300 mln of EU funds are available to finance this measure.
- Emergency ordinance 30/2020 also gives a possibility for the state to pay the minimum wage to those who cannot claim technical unemployment, like self-

employed or micro/family enterprises. The budget amendment of 17 April provides RON 1.9 bn for this purpose.

### **Other expenditures**

- Regional Development Minister said he would launch a financing line for granting maximum EUR 1mn aid to SMEs also from EU funds. The measure is temporary and if the envisaged amounts are not enough, other EU fund sources will be searched.

### Tax measures

- Speeding up VAT reimbursements. No budgetary impact for whole 2020.
- Suspending (or not starting) the forced execution of amounts due to the state budget with the exception of amounts resulting from a court decision in criminal cases. No significant budgetary impact on whole 2020.
- The deadline for the payment of the tax on building, land and transport equipment (local taxes) was postponed from 31 March to 30 June. No budgetary impact for whole 2020.
- Based on emergency ordinance 29/2020, during the state of emergency and +30 days after it has ended, tax obligations that become due and are not paid on time are not considered as being outstanding tax obligations (no interest nor penalties are charged for non-payment and enforcement measures are not used by the tax administration.). No budgetary impact for whole 2020.
- On 26 March the government approved a draft GEO (33/2020) with a rebate for taxpayers who pay the corporate income tax by the April 25 deadline (for the first quarter of 2020), as follows: 5% for large taxpayers, 10% for remaining taxpayers. Possible budgetary impact: 100-140 mln RON. On 23 April the parliament extended the 10% rebate to all CIT taxpayers and also to the payments due on July 25, 2020 for the second quarter and October 25, 2020 for the third quarter.
- The draft GEO of 26 March also provides that during the period of emergency and 30 days after the cessation of emergency, VAT is no longer required for imports of medicines, protective equipment and other medical and sanitary devices that can be used to prevent, limit and combat COVID-19. Impact on cash flow.
- On 3 April the Parliament approved a set of economic measures proposed by the opposition PSD. The package is more extensive than the one implemented by the government. The ruling PNL warns that the package might have negative effects on the budget and banking sector. The PNL challenged the it at the Constitutional Court (on procedural grounds). The package contains a postponement of social contributions and healthcare insurance payment for three months for the firms that demonstrate financial losses generated by the coronavirus pandemic (i.e. firms whose revenues in March decreased by at least 15% compared to January-February average). However, the companies must agree to keep on the personnel for at least 12 months. In exchange, the firms will be waived 50% of the deferred social security contribution and the remaining 50% will be paid in instalments with zero interest rate.

### Sectorial, regional measures, or measures other than fiscal (e.g. labour)

- The package of measures adopted on 18 March also provide for an Intervention Fund of 10 bn RON (which was increased to 15bn RON) to offer guarantees to SMEs for contracting loans for financing investment and working capital. The Ministry of Finance will guarantee 80% of loans for SMEs and 90% of loans for microenterprises. The Ministry of Finance pays the grants representing 100% of the

interest associated with the guaranteed loans and of the management and risk fee, within a state aid scheme associated to the program. The budget of the state aid scheme: 781 mln RON.

- SMEs in possession of an emergency certificate issued by the Ministry of the Economy can postpone payment of utilities and rent for the duration of the state of emergency
- Banks offer certain facilities to clients affected by the coronavirus crisis, notably a deferral of the repayment deadlines for loans (generally from 1 to 3 months). These are not to be treated as 'bad debtors' by the NBR.
- On March 26, the government approved a bill that allows loan payment deferral by up to 9 months for debtors affected directly and indirectly by the coronavirus crisis. The measure applies to both households' and companies and only on loans that do not report overdue payment. The bill's application methodology concerning selection of beneficiaries is contained in the Government Decision no. 270/2020. The cumulative interest rate for the deferred payments will add to remaining debt, equally distributed until maturity. Mortgage loans are an exception, as those require interest payment in maximum 5 years, but the state guarantees it payment 100%. Interested and eligible debtors must file a request in this regard to banks by the end of the state of emergency for benefiting from the measure. By 28 April, the banks have assessed and accepted 65% of the approximately 270,000 requests from debtors to delay loan repayment, according to a release of the Romanian Bank Association (ARB). The rest are currently being processed. Most requests came from individuals (260,000), while less than 10,000 firms asked to benefit from the measure. Up to this point, requests have been filed for 17% of the total number of loans to households and below 10% of corporate credits.
- The package of measures adopted by the Parliament on 3 April (and sent by the ruling PNL to the Constitutional Court) contains a 9-month loan payment moratorium that is more advantageous for debtors than the government's project. It entitles a broader category of companies and all individuals to qualify for the grace period. Besides the firms directly subject to the decrees issued under the state of emergency, those whose revenues dropped by 15% in March compared to the January-February average are also eligible to benefit from the facility. Furthermore, the law states that "the interest [accrued by banks on the principal, during the grace period] should not be capitalised at the end of the grace period".
- The Parliament package of 3 April would also postpone utilities payment by 3 months, except for mobile phone services, for individuals and firms. Utility providers would be able to borrow from the Treasury for up to 18 months with zero interest rate, in order to avoid being affected by that measure. Only firms that prove they had sales affected by 15% by the coronavirus crisis can benefit from those advantages.

#### Other

- State of emergency declared on 16 March, initially for 30 days, subsequently prolonged by additional 30 days.
- Full quarantine as of 25 March, with movement allowed in limited cases (work, grocery shopping, pharma, exercise). Even stricter restrictions for people above 65.
- Schools closed.
- Harsher measures (including increased prison sentences) for people not respecting the quarantine or providing false information to authorities, adopted on 19 March.

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- Expenditure measures

- Non-health: The National Assembly has adopted the first anti-corona legislative package for a rapid financial assistance to the population worth around EUR 3bn. The measures will apply retroactively from 13 March (some of them from 11 April) to 31 May this year, with the possibility of extending all or some of the measures envisaged until 30 June:
  - Pensioners with pensions below EUR 700 will get a one-off crisis bonus in the amount of EUR 130-300 on 15 April. One-off crisis bonus will also be paid for all students (EUR 150), families with three (EUR 100) or more children (EUR 200), families with less than three children with lower income (EUR 30 per child), persons from vulnerable groups with low income (EUR 150). (estimated budgetary impact: EUR 104m)
  - For temporary lay-offs, the state would cover the pay compensation, meaning 80% of the average full-time wage in previous 3 months up to the average salary in 2019, and social security contributions (if employer's income in 2020 is expected to decrease by more than 10% compared to the income in 2019). Workers who have been forced to stay at home for looking after their children because of the fact that kindergartens and schools have been closed or because of the inability to come to work due to the shutdown of public transport or the closure of national borders, are also entitled to 80% of salary compensation and the compensation of all social security contributions paid by the state. (estimated budgetary impact: EUR 1.04bn)
  - Self-employed workers, farmers and religious workers whose business has been affected by the crisis will be entitled to a monthly basic income in the amount of EUR 350 in March and EUR 700 in April and May (if their revenue decreased by at least 25% in March and by 50% in April/May compared to the revenues in February and if they anticipate a decrease in income by at least 10% in 2020 compared to 2019). The state will also cover their social security contributions for April and May. (estimated budgetary impact: EUR 175m)
  - All pension insurance contributions for employees who remain in the workplace will be paid by the state in April and May, except for companies in financial insurance activity with more than 10 employees or entities financed from public sources. (estimated budgetary impact EUR 195m)
  - Payment deadlines for payments to private suppliers from public funds will be reduced from 30 to 8 days. In case when public sector is creditor, the payment deadline is 60 days.
  - Wages of all high officials at the national level will be reduced by 30% in April and May. (estimated budgetary saving: EUR 1m)
  - All public sector workers who, due to performing their work during the epidemic, are exposed to health risks more than the average or have higher workloads due to controlling the epidemic, will be entitled to an allowance for performing hazardous work and for higher workloads, up to 100% of basic salary. (estimated budgetary impact: EUR 350m)
  - The compensations of employees in holders of public authority, public service providers and bodies of self-governing local communities not providing public services during the epidemic will be covered by the state budget. (estimated budgetary impact: EUR 100m)
  - Those employed in the private sector whose gross basic wage is less than three times the Slovenian gross minimum wage and who are

- performing their work during the epidemic are entitled to an allowance of EUR 200. This new allowance in the private sector will be funded by the employer from the funds relating to the exemption of pension insurance contribution payments.
- Workers who have lost their job during the epidemic and are not entitled to unemployment benefits will receive compensation in the amount of EUR 513.64 gross per month.
  - Financing private kindergartens: the state will finance 85% of the funding for each child during the period of epidemic. (estimated budgetary impact EUR 10m)
  - Measures in the field of agriculture, forestry and food: Holders or members of farms who are sick receive financial assistance of 80% of the minimum wage; holders of commercial fishing licenses are entitled to 40% compensation of total mooring fees for fishing vessels in 2020; For aquatic organism growers, the payment of water fee is reduced for 40% of the total value in 2020. (estimated budgetary impact: EUR 0.1m)
  - HC: Sick pay of all those who fall ill during the crisis will be fully covered by the public health insurance rather than employers having to cover the first 30 working days of absence (estimated budgetary impact: EUR 60m).
  - Employers are exempt from the payment of occupational insurance contributions for all insured who are covered by occupational insurance, regardless of whether they continue to work and receive a salary during the period of application of the measures or receive compensation for justified absence from work.
  - Reduction of water reimbursement and payments for entities with the right to special use of water, entities dealing with mineral, thermal, or thermal mineral water and for the water needs of public baths.
  - In the field of environmental protection, state intervention and temporary measures are determined for the accumulation of packaging waste at the providers of the mandatory municipal public utility service for the collection or treatment of certain types of municipal waste.
  - In the field of construction legislation, solutions are being introduced to enable accelerated start-up of significant investments in the Republic of Slovenia as soon as possible after the end of the COVID-19 epidemic, in such a way as to accelerate the issuance of construction permits, simplify and shorten the prescribed administrative procedures in the Construction Act, and regulations in the field of environmental protection and nature conservation.
- On 28 April, the National Assembly has adopted the second anti-corona package which will provide guarantees to banks and savings banks for loans granted in the period between 12 March and end of 2020, and with a maturity of below 5 years. The loans will be limited to 10% of annual revenue and annual expenses. Each guarantee will amount to 70% of the loan principal of a large enterprise and 80% of the loan principal of a micro, small or medium-sized enterprise. The total amount of guarantees issued under this Act may not exceed EUR 2bn (conservative estimation of guarantee redemption is EUR 485m over 5 years).
  - A third package (incl. exit strategy and special focus on tourism) has been announced for end May.
  - The National Assembly has adopted a bill which gives the government full

discretion in the use of budget funds approved for purposes not deemed part of legally binding tasks. This means that the government will be able to redirect funds on the basis of a supplementary budget that does not need to be submitted to the parliament until up to 90 days after the crisis ends. This is expected to raise EUR 200m to cover costs of extraordinary expenditures, like equipment, mobile hospitals, pharmaceuticals, medical equipment, disinfection, staff burden costs, and analysis of samples etc. It is a re-allocation in state budget on “integral part”, i.e. non-binding ceilings (budget lines).

- Budget users involved in the implementation of cohesion policy had to come up with proposals for reallocating resources from European Social Fund and European Regional Development Fund to business support measures, job retention and health measures, and were invited to prepare new or adapted measures due to epidemic. (savings estimated at around EUR 185m)
  - State guarantees and credit lines are planned to provide liquidity to businesses, preserve jobs, reduce losses and make sure companies' market position does not deteriorate. Roughly EUR 600m (1.3% of GDP) will be injected into the economy with revised conditions from existing financial mechanisms available at SID Bank, the state-owned export and development bank. It will also provide EUR 200m for new measures. The Slovenian Enterprise Fund will have EUR 115m available for small and medium-sized companies (EUR 80m of which as guarantees), while the Slovenian Regional Development Fund will offer a scheme under which companies will be able to roll over debt.
- Tax measures
    - Reduction of the administrative burdens on companies (pushing back the deadlines for tax documentation filings for businesses from 31 March to 31 May) (no budgetary implications).
    - Companies will be able to ask for a deferral of corporate income tax of up to two years or for paying tax in up to 24 instalments within two years. A deferral is already possible now, but conditions will be softened and simplified (no budgetary implications, shortfall in liquidity estimated at EUR 100m).
    - Corporates and private entrepreneurs are not required to pay advance tax payments for 2020 due for the period of April and May 2020.
    - Reduction of the tax base (by 50%) from potential market income from cultivation on farmland by 50% from cadastral income and reduction of the tax base from potential market income from production in hives by 35% of the lump-sum estimate for the hive for advance payments of personal income tax.
    - Self-employed may decide to postpone their social security contribution payments in April, May and June 2020. (no budgetary implications, shortfall in liquidity estimated at EUR 25m)
  - Sectorial, regional measures, or measures other than fiscal (e.g. labour)
    - Schools and educational institutions have been closed from 16th of March (re-opening of kindergartens, primary schools for the first three grades and the final grade, and secondary schools for final-year students as of 18 May)
    - The Ordinance on measures to be implemented at border crossings upon entry into Slovenia entered into force on 12 April (determining the locations of control points at the internal borders with Italy, Austria and Hungary; when they are open; who can cross the border at a particular control point; who is ordered to undergo a quarantine; who is allowed entry into the country). The Ordinance repeals the legal acts previously regulating this area.
    - Special measures in health (entry points for testing, extra teams, etc) and new

crisis health management (no quantified impact yet)

- Other
  - The new government banned air transport, public transport, the provision and sale of goods and services directly to consumers (except for food stores, pharmacies, banks, petrol stations, post offices, with gradual easing of restrictions as of 20 April). All shops will be allowed to open on 18 May, while bars and restaurants will be able to serve patrons indoors again. Tourism will reopen starting with smaller operations (max. 30 beds) on 18 May. The majority of sports activities will be allowed to resume on 23 May, including practices and recreation in indoor facilities and trainings and competitions in team sports. Accommodation for spa guests, wellness and fitness centres, pools and water parks must remain closed.
  - The government set the maximum prices for protective medical gear and other medical equipment.
  - Establishment of new high level governmental group for tackling key sectors and unexpected crisis (moderate spread, info system, communication) plus establishment of a target crisis oriented headquarters (the latter has been abolished as of 24 March).
  - Suspension of all activities related to car registration (no more suspension as of 20 April) and driving schools.
  - The National Assembly has adopted an emergency bill to allow banks to defer borrowers' liabilities by 12 months. Companies, sole traders, farmers, societies, cooperatives and institutions, as well as self-employed and natural persons, if they are Slovenian citizens, will be able to postpone the loan. An application for the deferral of loan agreement liabilities may be submitted to a bank no later than six months after the declaration of the end of the virus epidemic, and the act shall be valid for 18 months after the end of the epidemic (no budgetary implications). In the context of this measure, the first anti-corona legislative package includes a guarantee scheme, for those who have been temporarily banned from pursuing an activity due to the Government or municipal decree, a state guarantee of 50 percent of the sum of 12 deferred instalments of credit. The same applies to borrowers who are natural persons. In all other cases, the guarantee amounts to 25 percent of the sum of the 12 deferred monthly instalments of credit that would mature in the period for which the deferral was agreed. (maximum amount set in the law: EUR 200m)
  - The National Assembly has adopted a bill on emergency measures for agriculture and food products, meat and wood products (allowing the government to set prices for individual groups of food products and limit their traffic) (estimated budgetary impact: EUR 5m).
  - The National Assembly has adopted a bill introducing temporary measures concerning judicial, administrative or other public affair issues (suspending all deadlines in court procedures, suspending for a month prison sentences in cases without safety risks and the option of early release from prison). (gradual restarting of some activities as of 5 May)
  - The Government has adopted the Ordinance on temporary measures in healthcare to contain and manage the COVID-19 epidemic (suspending the provision of non-urgent preventive health services and dental services, cancelling all non-urgent specialist examinations and surgeries, redeploying the employees who provide preventive health services to tasks related to the containment and control of the COVID-19 epidemics). (gradual restarting of some activities as of 11 April)



- The Government has issued the Ordinance which lowers the electricity bills for household customers and small business customers (by around 20%) due to reduced price of power and network charges.
- The Government has issued the Ordinance on the mandatory disinfection of multi-dwelling buildings.
- The Government has adopted the Ordinance on the temporary general prohibition of movement and public gathering in public places and the prohibition of movement outside the municipality of permanent or temporary residence (the latter has been lifted as of April 30).
- Police powers have been expanded (allow police to issue fines for violations of lockdown rules, to erect road blocks, temporary limit people's freedom of movement and access sensitive personal data).
- The Bank of Slovenia has adopted a macroprudential measure placing temporary restrictions on banks and savings banks in their profit distribution which is expected to be in place for one year.
- Measures for reduction of water reimbursement and payments for entities with the right to special use of water, entities dealing with mineral, thermal, or thermal mineral water and for the water needs of public baths.
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SK



- Expenditure measures
  - The government negotiates with banks to postpone loan repayments without a negative entry in the debtors register. It is supposed that banks will launch simple grace conditions for interests and instalments by 3 months for both companies and citizens. The cancellation of the bank levy is discussed.
  - State would forgive the bank levy for this (total revenue from bank levy is ca 0.4% of GDP; capital transfer).
  - The government will discuss the possibility to use part of EU funds to cover the effects of the crisis and stabilize the economy.
  - Government will reimburse 80% of employees' wages in companies, which were closed based on the government's decision. The subsidy will be capped by EUR 200 ths. for an individual firm and EUR 1100 of gross wage per employee. The support will be provided on condition that employees are not on notice and will not be fired.
  - Subsidies to self-employed people and employees will be provided based on the assumption of sales drop. The support will be capped by EUR 800 ths. per year. The drop in sales will be calculated compared to sales in the same period in previous year (13-31 of March). Requests could be submitted from 30 of March. First subsidies will be paid out in the mid of April.

Drop in sales	Subsidy in EUR
>20%	180
>40%	300
>60%	420
>80%	540

- Both parents in quarantine (sickness benefits) and people taking care of a family member (nursing benefits) will receive 55% of their wages all the time. Until now, the employer had paid compensation on the first days.

- State will provide bank loans guarantees to entrepreneurs of EUR 500 mil. per month.
- Tax measure
  - For citizens and certain type of legal entities (but not companies, i.e. those who are required to communicate with tax administration electronically) are required to file a income tax return no later than by 31 of May instead of original deadline of 31 of March. This measure is aimed to prevent crowding of vast amount of people at tax administration branches which is typical for days prior to deadline. This measure is accompanied by mobile tax administration unit.
  - Payments of health and social insurance contributions paid by employers will be postponed if revenue was decreased by more than 40%.
  - Income tax advances will be delayed assuming a drop in sales by more than 40%.
  - It will be allowed to offset losses not yet claimed since 2014 inclusive. The measure is likely to be introduced in tax returns submitted for 2019 at the end of June.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
  - All schools (including kindergartens and universities) are be closed from 16 March for at least 14 days. Leaving examinations will be postponed. Parents who have to stay home are eligible for a nursing allowance of up to EUR 36 per day.
  - Slovak Guarantee and Development Bank will provide short-term loans to some sectors with simplified requirements and procedures – e.g. restaurants, canteens...
  - Money in Slovak Investment Holding were earmarked for private sector investments.
  - The conditions for providing a job maintenance allowance for SMEs and sole traders will be simplified.
  - All ministries will revise their contracts.
- Other
  - VW plants in Bratislava, Martin and Stupava were closed (until further notice). Furthermore, PSA closed its plant in Trnava (until 27 March). Jaguar Land Rover continues production.

*A Prime Minister estimated costs of measures of EUR 1.5 bn. and other EUR 1 bn. a month. Measures were designed mainly for self-employed people and small firms. Big companies were not closed obligatory. A Finance Minister said that it was difficult to estimate how long these measures are in place. The government is ready to provide measures as needed. Measures will be debt funded. The government will introduce other will present dozens of measures in the coming days. The government will also discuss measures tomorrow and the parliament adopt them in a fast-track procedure. PM expects a general government deficit of EUR 5-10 bn.*

FI



#### Expenditure measures

- The Parliament adopted the first supplementary budget on 26 March (it entered into force on 31 March). , amounting to about EUR 1.3bn in appropriations, covering years 2020-2022 The budget was composed of measures to support businesses and health and epidemic-related spending.
- The Parliament adopted the second supplementary budget on 16 April,

including the measures adopted under the first budget and adding new ones, totalling EUR 4.1bn (1.8% of GDP) over 2020-2022.

- The government proposed the third supplementary budget on 8 May. The fourth supplementary budget focusing on aid to municipalities and measures supporting quick economic recovery, is planned for early June.
- The subsidies for companies amount to EUR 1.8bn (0.8% of GDP) and include EUR 1.2bn of grants to enterprises provided via Business Finland (for SMEs in tourism services, creative and performing industries and all sectors where subcontracting chains are affected) and Centres for Economic Development, Transport and the Environment (ELY Centres; for self-employed and small enterprises that employ 1-5 people), , EUR 0.25bn liquidity support for self employed persons, EUR 0.04bn for agricultural enterprises and EUR 0.12 bn for restaurants. The government has also proposed to invest EUR 0.7 bn in acquisition of shares of state-owned enterprises, e.g. Finnair.
- The budget provides also for additional health care and other epidemic-related spending amounting to EUR 0.9bn (0.4% of GDP), including EUR 640 m for procurement of protective equipment, devices and medicines by the National Emergency Supply Agency, EUR 12.8m for the National Institute for Health and Welfare, EUR 5m for international non-profit organisations (CEPI, IVI) and EUR 10 m for the Academy of Finland to develop a vaccine, EUR 20m for testing and medical instruments and EUR 6 m for development of a tracing app. In addition, it includes appropriations of about EUR 27m for police expenses and enhanced border controls. A buffer of about EUR 200m is non-allocated.
- Labour market: social partners made a common proposal on 18 March to the government on the urgent response measures required to limit the negative impact of Covid-19 on the labour market. The government has accepted most of the social partners' common proposals. The preliminary estimate of their total cost amounts to EUR 1.3bn. This includes reduction of private sector employers' pension payments by 2.6.% with total cost estimated at about EUR 1bn, starting on 1 May and lasting until the end of the year, to be paid from the EMU-buffer and to be compensated by increased payments over 2022-25. Besides, EUR 0.3 bn is the estimated cost of following temporary extension of unemployment benefit schemes:
  - o Shorter notice period for lay-offs, changes in termination during a trial period: e.g. reduction of the lay-off information period from 14 to 5 days; introduction of the right to lay off an employee with a fixed-term contract;
  - o Extended right to unemployment benefit during lay-off: entrepreneurs, including freelancers and self-employed, will have a temporary access to unemployment benefits;
  - o Abolishment of the 5 day waiting period before a person is eligible for unemployment benefit, hence allowing payment from day 1;
  - o Enhanced eligibility for unemployment allowance, thanks to reduction of the required time to be employed from 26 to 13 weeks;
  - o Unemployment allowances paid on the grounds of COVID-19 related lay-offs will not be taken into account when calculating the maximum period of payment.
- EUR 250 m to support the self-employed with grants channelled by municipalities. The purpose is to secure the ability of sole self-employed people to remain in business during the deteriorating economic conditions.
- EUR 94 m for temporary support for those absent from work with no pay (due to Covid-19), including for parents who care for children at home, persons

arriving to Finland from abroad and who have been placed in quarantine-like conditions.

- Education: 69.4 MEUR, of which 60 MEUR will be allocated to cultural, physical activity and youth workers.
- Other expenses: about EUR 78 m are bookmarked to cover *inter alia* administrative expenses of various institutions distributing the state support, including KELA, Business Finland, ELY Centres and TE Offices.

#### Tax measures

- The tax system takes into account exceptional circumstances, for example the system is prepared for delays in tax payments. The preliminary estimate by the MoF puts total tax deferrals in 2020 at around EUR 1.4bn. Companies may also benefit from flexible payment arrangements for social security contributions (up to 3 months, subject to Ministry of Social Affairs and Health decision). These delays will have no impact on budgetary deficit as they will be accounted on time-adjusted basis, but will be recorded as the government debt.
- Companies have been offered interest rate reduction from 7% to 4% (based on applications) for taxes that expired after 1 March.

#### Sectorial, regional measures, or measures other than fiscal (e.g. labour)

- State guaranteed loans: increasing Finnvera corporate financing from EUR 2bn to EUR 12bn EUR; accelerating financing decisions to be taken in 3-4 days; increasing the ratio of public compensation for potential Finnvera credit losses from 50% to 80%.
- State guarantee of EUR 600m for Finnair as collateral for premium lending of Finnair plc earnings-related pensions (employee pensions refinancing) to Ilmarinen Mutual Pension Insurance Company.
- State guarantee of EUR 600m for shipping companies to ensure cargo traffic important to security of supply.
- The government will provide investment loans to business via Business Finland (EUR 0.3bn in 2020-2022) and stabilisation funding for healthy companies with a high employment impact via state-owned venture capital and private equity company TESI (EUR 0.15bn). These investments have are not recorded in the general government deficit but increase the government debt.
- Government proposed postponement of employee pension insurance payments by 3 months, including for public sector employees;
- Social security (automatic stabilisers): about 1.5 billion EUR to unemployment benefits, housing and social assistance, due to the increase in unemployment and lay-offs. The main proposed items include:
  - o 1.1. billion EUR to the earnings-related component of unemployment benefits and job alternation compensation and to the basic security component of unemployment benefits. Of this amount, EUR 794 million is due to the growth in unemployment and lay-offs and EUR 20 million is intended to subsidise the functioning of unemployment funds.
  - o 169 MEUR for financing increased basic social assistance
  - o 177 MEUR for financing increased housing allowance expenditure
  - o 30 MEUR for implementation of the Self-Employed Persons Pensions Act. The need for funding is due to the reduction in the earned income of the self-employed and in the revenue from pension insurance contributions.
  - o 20 MEUR in financing for unemployment funds.
- Municipalities: At least 1 billion EUR for the municipal support package in

course of 2020, to be adopted in the fourth supplementary budget in 2020. The exact measures will be decided later, but it is foreseen that the state will compensate the hospital districts for the additional costs of intensive care. The municipalities' share of the corporate tax will be increased for the second part of 2020. The state's share to fund social and healthcare services will be temporarily increased in 2020. The discretionary state contribution will be increased. Previously, 567 MEUR has been already foreseen for the second supplementary budget, to compensate the losses in municipal tax revenues.

- Government of Åland Islands has proposed for the decision of the regional parliament a second supplementary budget, including 10MEUR for business promotion and 10MEUR for labour market measures. It also approved principles for the granting of a temporary (16.03-30.6.2020) liquidity support to companies.

#### Other

- Bank of Finland will invest EUR 1bn on domestic bond market, mainly in bank and SME papers.
- State Pension Fund will be temporarily directed to increase investments in commercial papers of Finnish companies (EUR 0.5 – 1bn).
- The Financial Supervisory Authority has reduced capital requirements for credit institutions thus increasing their lending capacity by about EUR 30bn.
- The government adopted an EUR 0.8bn guarantee for the Employment Fund (a social security fund) so it can finance a deficit in its cyclical buffer.
- Guarantees have also been proposed as part of EU instruments mitigating the impact of the pandemic. The government may grant a guarantee of €0.4bn on loans granted under the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) and a guarantee of €0.4bn to the European Investment Bank against any losses arising from the pan-European EU COVID-19 guarantee fund.
- Social security/financial compensations: The social security system foresees the following allowances to affected employees:
  - o An infectious disease allowance: Applicable in case an employee is diagnosed with a major communicable disease. It is a full compensation for loss of earnings, i.e. it is determined by the salary the employee would have received if s/he had been at work.
  - o An earnings-related daily allowance: A part-time employee can apply for an adjusted earnings-related allowance, even if in receipt of the infectious-disease allowance, to the extent of a loss of earnings from the part-time work.
- Ministry of Justice is preparing several legislative amendments to limit the economic impact of Covid-19 on business and households. They include for example limitations to debtors to launch a bankruptcy procedure (The current legislation assumes a company is insolvent, if it has not paid its debt within one week of receiving the call for payment); easing up the conditions for the company to enter into a restructuring process; adjustments to debtors' rights due to punish for late payments, etc. Also, in order to avoid the increasing indebtedness of households, the direct marketing of short-term loans will be prohibited and the interest rate would be capped to 10% (currently 20%).
- Travel for work from Estonia is not permitted from 22.3. onwards (already closed for Russia). It is still permitted on Swedish and Norwegian "natural border working areas" but this is also under discussion. The Construction Trade Union estimates that this will result in immediate labour shortages in the

- construction business.
- Due to critical situation in the agriculture sector caused by the closure of borders, 1 500 foreign seasonal workers are allowed to enter Finland as soon as possible. Refugees residing in the refugee centres are allowed to work in green houses and farms. It is estimated that around 15 000-20 000 seasonal workers would be needed for vegetable farms and picking berries from May onwards. The Ministry of Economic Affairs and Employment is mapping a possibility to engage unemployed, laid-off employees, students, pupils and refugees for seasonal work. Temporary legislative changes were adopted on 9 April, allowing third country nationals with a valid residence permit to change an employer without an additional residence permit application. These changes will allow foreign workers, whose employment contracts have been terminated, or who have been laid off, to move more easily to sectors suffering from labour shortages.
  - The government appointed an inter-ministerial working group to assess the impact of the coronavirus crisis on the economy and propose measures to support exit from the crisis. The group was supported by a panel of scientists and consulted the social partners, municipalities, civil society and environmental organisations. The group published its Phase 1 report “Impact of the corona crisis and plan for a hybrid strategy for management of the epidemic” on 1 May, which has provided the basis for government’s decision on 4.5. to start gradual ease of restrictive measures. The Phase 2 report is due on 31 May and focuses on the after-care phase of the crisis, with a plan for measures in different sectors of society.
  - The high-level expert working group nominated on 1 April, to assess the economic impact of Covid-19 crisis and to propose measures to help Finland get back on track after the crisis, submitted its report to the Ministry of Economic Affairs and Employment and the Ministry of Finance on 8 May. The expert group estimates a considerable loss in output and employment, with a prospect of a new ‘lost decade’. Adequate testing and tracing capacity and effective protection, such as face masks and safe procedures, should be ensured, before restrictive measures can be removed. The expert group presents a three-stage economic strategy for dealing with the impact of the coronavirus crisis:
    - o Stage 1: Reduce the immediate adverse effects, focusing on businesses;
    - o Stage 2: A substantial stimulus; and
 Stage 3: Repairing the economic damage and consolidation of public finances.

SE



- Expenditure measures

. The government has presented a number of measures in five additional amending budgets since mid-March and in the “Spring Amending Budget for 2020’, presented on 15 April. Several of the measures were subsequently extended.

- Short-term temporary unemployment scheme introduced. The part-time employment scheme entails that employers’ wage costs can be reduced by one half, in that central government will cover a larger share of the costs. Employees can have reduced working hours and still receive some 90 percent of their wage. The measure entered into force on 7 April and will be in effect throughout 2020, but be applied from 16 March. On 14 April, the scheme was temporarily reinforced,

allowing employers reduce their employees' working hours by up to 80 per cent and that central government will cover a clear majority of the cost. This reinforcement of the system will apply for three months from 1 May 2020. Estimated cost: SEK 49 billion.

- Government to assume sick pay responsibility: the central government will assume the entire cost of all sick pay during April to July. Sickness benefit qualifying day temporarily discontinued. The appropriation for disease carrier's allowance is increased. Self-employed will receive standardised sick pays for days 1-14. Estimated cost: SEK 22.5 billion.
- Funding of extraordinary costs associated with the COVID-19 virus of municipalities and regions (the appropriation is increased by SEK 3 billion).
- Strengthening of relevant government agencies such as the Public Health Agency, the National Board of Health and Welfare, The Swedish Agency for Economic and Regional Growth, the Swedish Civil Contingencies Agency (amounting to SEK 141 million plus credit measures of SEK 200 million).
- Specific support to the cultural sector and sports movements (SEK 1.319 billion) and local journalism (SEK 200 mn).
- ALMI (the Swedish SME and Entrepreneur Agency) will receive a capital injection of SEK 3 billion to increase lending to SMEs throughout the country.
- Temporary reduction of employers' social security contributions (applies to up to 30 employees and up to SEK 5 300/EUR 500 per employee and month) and individual contributions for the period March to June. Estimated cost: SEK 33 billion.
- Temporary discount for rental costs for firms in branches with considerable difficulties as a result of the corona virus, such as durable consumer goods, hotels, restaurants and certain other activities. The central government will cover 50% of the rental reduction up to 50 per cent of the fixed rent. SEK 5 billion is allocated for this.
- Temporarily relaxing unemployment insurance eligibility requirements. Under previous rules, workers had to be a member of an unemployment insurance fund for 12 months and needed to have worked at least 80 hours per month for at least six months before qualifying for compensation. Now, workers only need to have worked a minimum of 60 hours per month and will be entitled for compensation after only 3 months as a member of a scheme. This means that more people, also in precarious employment, will qualify for unemployment insurance than before. Both the highest and the lowest amount paid out by an unemployment insurance fund are temporarily raised. The six initial qualifying days are removed, and insurance will be paid out from the first day of unemployment. The unemployment insurance funds will receive extra funding for administration. Fiscal cost: SEK 6.4 billion.
- Expansion of active labour market policies. Fiscal cost: SEK 2.4 billion.
- More places and more distance learning at higher education institutions, more opportunities for vocational education and training for those who lost their jobs and need to retrain in order to re-enter the labour market. Extra expenditure on agencies involved in this. Removal of income ceiling for student aid to enable health and medical care students to help out in the health care sector without

- their student aid being reduced. Fiscal cost: SEK 2.9 billion
- The National Board of Health and Welfare's credit framework increased from SEK 100 million to SEK 5 billion to enable purchases of personal protective equipment and intensive care equipment.
- The Public Health Agency will receive extra funding of SEK 1 billion to increase testing for Covid-19. The focus will initially be on people in critical services, such as health care and the emergency services, to enable them to get back to work sooner.
- SEK 100 million is allocated to support civil society organisations working with vulnerable children and children and women at risk of domestic violence.
- In 2020 municipalities and regions will receive SEK 20 billion in higher general grants, of which SEK 12.5 billion is a permanent increase in appropriations.
- Additional package of support for enterprises (30 April) which covers compensation for fixed costs for firms suffering a loss in turnover of at least 30%. Estimated cost SEK 39 billion.

Control measures are imposed to ensure correct use of the funds; enterprises that benefit should abstain from take-overs and dividend payment.

- Tax measures

- Liquidity reinforcement via tax accounts: companies can defer maximum three months' payment of employers' social security contributions, preliminary tax on salaries and value-added tax that are reported monthly or quarterly. The new regulations takes effect on 7 April 2020, but can be retroactively applied from 1 January 2020. Interest and deferral costs apply. If companies use this opportunity to the same extent as in 2009, the amount would amount to 27 billion SEK. If all companies would use it to the maximum, this would amount to SEK 315 billion. The effect on the balance depends inter alia on the time profile of usage.
- To support SMEs, it will be allowed to defer the value-added tax reported annually. Hence, companies can defer the payment of last year's VAT that is due shortly. If this is used to the maximum, it would amount to SEK 7 billion.
- SMEs can claim back the preliminary tax paid in 2019 and either pay it later or set it off against future losses. The maximum liquidity reinforcement could amount to SEK 13 billion.

- Sectorial, regional measures, or measures other than fiscal (e.g. labour)

- State credit guarantees for Swedish airlines amounting to a maximum of 5 billion SEK. Extension of credit and credit guaranties via the Swedish Export Credit Agency's (EKN) and the Swedish Export Credit Corporation (SEK) Coverage of EKN extended, including to encompass sea shipping of all in all, SEK 130 billion.
- A central government loan guarantee to make it easier for companies to access bank financing, targeting primarily SMEs. Each company will be allowed to loan up to SEK 75 million. The risk is shared between the government and banks (70/30). Guarantees can be issued totalling a maximum of SEK 100 billion during 2020.



- Other

- On 13 March, the Riksbank decided to lend up to 500 billion SEK (50 billion EUR) to Swedish banks for a period of 2 years against the repo rate. The aim is to maintain the supply of credit to Swedish companies as banks are to use the facility to keep lending to domestic non-financial companies, which will be monitored. The repo rate was left untouched at 0%.

On 16 March, the Riksbank decided to:

- Increase purchases of securities by up to SEK 300 billion (in 2020). Given relative scarcity of government bonds, purchases can include municipal and mortgage bonds (in the Nordics, there is a deep and liquid market for the latter). The purchases of government bonds was initiated immediately.
- Reduce the lending rate for overnight loans to banks from 75 to 20 bps above the repo rate.
- Allow banks to borrow an unlimited amount at 3-month's maturity on a weekly basis against collateral at an interest rate of 20 bp above the repo rate.
- Increase flexibility on collateral requirements for banks when they borrow money from the Riksbank. This will give banks more scope to use mortgage backed bonds as collateral.
- On 13 March, Finansinspektionen (Swedish FSA) lowered the countercyclical capital buffer from 2.5% to 0%. This implies a lowering of capital requirements by around 45 billion SEK (4.5 billion EUR).
- On 16 March the FSA temporarily lifted the liquidity coverage ratio requirements for banks for individual currencies as well as total currency limits. These measures relieve capital and liquidity constraints for banks to continue lending to non-financial corporations.
- On 17 March, the FSA announced that loss of income associated with the COVID-19 virus qualifies as special grounds that allow banks to reduce or waive amortisation requirements for mortgages for an (extendable) period of 3 to 12 months.
- On 19 March, the Riksbank and the US Fed agreed a swap facility for up to USD 60 billion of dollar liquidity. The agreement will be in place for at least six months. The Riksbank eased restrictions on purchases of corporate and mortgage backed bonds.
- On 24 March, the FSA clarified that it expects credit institutions to stop this year's dividend payments and use the earnings to further strengthen their capital position.
- On 26 March, the Riksbank decided to allow supervised Swedish credit institutions to apply to become temporary counterparts of the central bank for monetary policy execution with the aim is of facilitating on-lending to non-financial corporations.
- On 2 April, the FSA proposed new general guidelines allowing deferral of all household mortgage amortisation payments on new and existing housing loans. The exemption will be in force until the end of June 2021.
- On 6 April, the Riksbank decided to allow loans to individual firms under its loan support programme.
- On 14 April, the FSA's new general guideline on exemption from the

amortisation requirement came into effect. The exemption applies to amortisation payments through 31 August 2021.