



Policy measures taken against the spread and impact of the coronavirus – 12 October 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) measures related to public guarantees, (iv) other measures than fiscal providing liquidity support.

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.

Regular updates of this table will be available here:

https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/jobs-and-economy-during-coronavirus-pandemic_en

Austria	Finland	Lithuania	Slovenia
Belgium	France	Luxembourg	Spain
Bulgaria	Germany	Malta	Sweden
Croatia	Greece	The Netherlands	
Cyprus	Hungary	Poland	
Czechia	Ireland	Portugal	
Denmark	Italy	Romania	
Estonia	Latvia	Slovakia	

Member State	Type of measure <i>(very briefly describe the measures taken and their estimated budgetary impact)</i>
BE	<u>MEASURES WITH IMPACT IN 2020</u>
	<u>Expenditure measures</u> <ul style="list-style-type: none"> - Federal: the temporary unemployment scheme provides compensation for employees who cannot continue working because a decreased workload (economic reasons) or the social distancing measures imposed by the government (force majeure). This scheme existed before the COVID-19 pandemic, but following the COVID-19 outbreak the procedure to apply for it was largely eased. The allowance was also increased from 65% to 70% of the daily average wage (capped at EUR 2.754,76 gross per month). In addition, a daily premium of EUR 5,36 has been introduced. The scheme was extended until August for all firms. Starting from August until December, firms still affected by restrictions or having

at least 20% of the staff in temporary unemployment in Q2 can still benefit from the extension. Other companies should follow a normal pre-crisis administrative procedure, but the time period of the allowance stays 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 eased allowance applies until end-August to all self-employed. Starting from June 2020 until December 2020, a so-called "relaunch replacement income" targets self-employed who restarted their activity but still face turnover reduction compared to 2019. Those self-employed who could not reopen yet can still benefit from the allowance but have to prove that the activity cannot be restarted due to COVID-19 restrictions. Some sectoral rules are also introduced.
- Federal: The federal government took measures related to social benefits. First, degressivity of unemployment benefits was frozen until August. Second, the 'switching-on' allowance for young unemployed was extended with three months until August. Finally, possibility of cumulating of temporary unemployment with side-activity and preservation of rights of unemployed that want to become self-employed were introduced.
- Federal: The COVID-19 parental leave was a special parental leave, which does not affect the right to the regular parental leave and allows parents to take leave in order to provide additional care of their children between May and September 2020 with a higher allowance than under regular parental leave.
- Federal: EUR 3 bn provision was devoted to cover corona-related expenditure (healthcare, repatriation of Belgian citizens, top-up of minimum social benefits, support to local social services, loans to companies, free train tickets).
- Federal: One-off consumption cheque of € 300 for care personnel in federal health care institutions was paid.
- Federal: Structural increase in the budget for mental health care was decided.
- Flanders: For companies and self-employed forced to completely or partially close due to security measures a premium of EUR 4.000 (in case of complete closure) and EUR 2.000 (in case of partial) were paid.
- 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.
- Flanders: All temporary unemployed in Flanders will automatically receive EUR 203 to support their water and energy costs for a month.
- Flanders: Action plan to mitigate mental health consequences was decided.
- Flanders: Increased education expenditure to manage the crisis was decided (ICT-investments, permanence, organisation of summer schools for children with difficulties etc.).
- 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 million. A higher wage premium of 4% to employees in sheltered workshops. In local services sectors, a one-off protection premium of EUR 50 or EUR 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: Advance payments to event organisers for the preparation of new events in the fall of 2020 were granted. They have to be reimbursed if an event can happen.
- Flanders: Flanders Investment and Trade (FIT) and the Agency for Support of the Agricultural and Fishery sector (VLAM) prepared a corona-exit plan for companies supporting existing and mature exporters through a one-off premia.
- 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.
- Flanders: Subsidies to research projects related to Covid-19 were decided.
- Flanders: Support to public transport company De Lijn was granted.
- 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 EUR 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: Sports and culture sectors can benefit from additional support.
- Wallonia: Households can benefit from gas- and electricity bill supports (EUR 75 and 100 per household, respectively). For temporary unemployed a premium of EUR 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: Contact tracers have been purchased.
- 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 loan 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 EUR 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 million 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: The support to the tourism sector is planned in two phases. The first one concerns an introduction of a health charter and a hygiene label, a marketing campaign, price subsidies to tourist attractions, funds to finance sanitary and digital material equipment. The second has not been decided.
 - 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.
 - Brussels Capital Region: Various health-related measures have been decided e.g. purchase of masks and protecting care material, additional spending on homeless shelters.
 - Brussels Capital Region: Premium of € 3000 for taxi operators was paid.
 - Brussels Capital Region: Relaunch plan has been announced.
 - French Community: Support is provided to sectors hit by the containment measures (e.g. culture, social, education, youth, sports) amounting to EUR 80 million.
 - German community: Support is provided to sectors hit by the containment measures (e.g. culture, social, education, youth, sports) amounting to EUR 10 million.
 - Joint Community Commission: Various support measures are planned, of which purchase of contact tracers in Brussel.

Tax measures (distinguishing tax delays from other measures)

- Federal: Expected negative fiscal result in income year 2020 can be deducted from the results of 2019, on which PIT is payable in 2020 and 2021. The deducted amount is added to the result of income year 2020.
- Federal: Companies' expected losses in income year 2020 can be deducted from the positive result of the year from March 2019 until March 2020 on which CIT is payable in 2020. The deducted amount is added to the result of income year 2020.
- Federal: VAT in catering industry on food (tax rate of 12 %) and on non-alcoholic beverages (tax rate of 21 %) was reduced to 6 %, starting from July until the end of 2020.
- Federal: Employers tax in heavily affected sectors were subsidised through an exemption of the payment of part of the withholding tax on wages until August

2020.

- Federal: The CIT allowance for restaurant and reception costs is increased from respectively for costs made between June and December 2020.
- Federal: Self-employed can also apply for an exemption of social security contributions until the end of 2020. Social rights stemming from the activity would not be attributed for the period.
- Federal: Exemption of taxes on premia and support granted by the regional entities due to COVID-19 crisis.
- Federal: The investment allowance for SME's is temporarily increased from 8% to 25 % for increases in fixed assets between 12 March and 31 December 2020.
- Federal: 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 but they affect the debt.
- Regional: 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.

Measures related to public guarantees

- The federal government, the National Bank and the major banks convened EUR 50 billion of loan guarantee for companies, self-employed and households in financial difficulties. The scheme was further extended and oriented to SMEs (with guarantees for loans with maturities between 12 and 36 months).
- 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 billion through Flemish promotional bank PMV.
- Wallonia: guarantees for bridge loans and/or loans amounting to EUR 350 million. All interests paid on loans granted by public entities are deferred by three months (with SRIW, GROUPE SOGEPA, SOWALFIN, invests).
- Brussels capital region: guarantees for bridge loans and/or loans amounting to EUR 20 million. Possibility of reduced interest rate loans from Finance&Invest Brussel.

Other measures than fiscal providing liquidity support

- 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.
- Flanders: deferral of payment of loans to Flemish social housing companies without interest for the period of deferral.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- Federal: Social agreement with the federal health care sector for a structural budget increase of € 600 mn (wages and working conditions)
- Federal: Budget increase mental health care.
- Wallonia: Wage increases for health care workers.

Tax measures (distinguishing tax delays from other measures)

- Federal: Increased PIT allowance for gifts. Tax reduction percentage is increased from 45 to 60 % and the maximum amount of eligible gifts is increased from 10% to 20% of total net income.
- Federal: Increased investment allowance. The investment allowance for natural persons is temporarily increased from 8% to 25 % for increases in fixed assets between 12 March and 31 December 2021
- Federal: CIT exemption of recovery reserves. Future profits in income years 2021 to 2023, can be exempt from CIT up to the amount of the losses in income year 2020, if a company does keeps its equity and employment at a pre-COVID level.
- Federal: Personal income tax reduction for equity investment in SME's that encountered a significant drop in turnover

Measures related to public guarantees

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Other measures than fiscal providing liquidity support

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BG



MEASURES WITH IMPACT IN 2020

Expenditure measures

- Additional expenditure in the amount up to BGN 17.6 million (EUR 7.3 million) 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.
- Subsidies for medical establishments to maintain the readiness of clinics / wards for infectious diseases to provide medical care in case of epidemic spread of infectious diseases with cost BGN 15.6 million in 2020 and BGN 29 million in 2021.
- Capital transfers, of BGN 20 million in 2020 and BGN 6 million in 2021, to support hospitals in the context of a Covid-19 pandemic for retrofitting wards, purchasing equipment and building laboratories - purchasing extraction and detection analyzers for PCR testing, providing virological diagnostic equipment, purchasing mobile x-ray machines.
- Additional remuneration / overtime pay / night work / work on weekends and holidays of the employees in the structures of the state administration and the medical establishments, working on the first line and directly engaged in activities for prevention of the spread of COVID-19 with total cost of BGN 34 million in 2020 and BGN 157 million in 2021.
- Provision for personal protective equipment (masks, gloves, etc.), disinfectants and disinfection services, thermometers etc. in public administration, health institutions and schools with total cost BGN 86 million in 2020 and BGN 117 in 2021.
- The government increased from 15% to 30% the available limit from the reserve fund for dealing with disasters (totalling BGN 80 million or EUR 40 million). The limit could be subject to future change.
- The government supports companies with proven impact from the epidemic by covering 60% of the employees' wages and social security contributions for up to three months (60-40 scheme). BGN 1 billion (EUR 500 million) were allocated for this measure. The estimated impact is BGN 720 million in 2020 and BGN 300

million in 2021.

- Additional expenditure totaling BGN 161 million (EUR 80 million) was approved for police and firefighting and BGN 168 million (EUR 84 million) for military personnel in order to assist the implementation of the restrictions inland and on the borders of the country.
- Financing from the National Health Insurance Fund to the providers of medical care, dental care and medical diagnostic activities for work in hi-risk environment due to the epidemic situation with COVID-19 with cost BGN 321 million in 2020 and BGN 428 million in 2021.
- Support for families with children up to 14 years of age whose parents cannot work remotely from home and do not have the opportunity to use paid leave with total cost BGN 65 million in 2020 and BGN 73 million in 2021.
- One off measure for top up the pensions of the pensioners by 50 leva (25,5 EUR) for the period August-December 2020 and first 3 months of 2021 with cost BGN 530 and 318 million respectively.
- As of 1 August the salaries of social workers and labour inspectors were raised by 30%. The budget for personal assistants has been raised by BGN 122 million (EUR 60 million).
- As of 1 October the minimum daily unemployment benefit will be raised from 9 BGN to 12 BGN and the eligibility period is extended by three more months.
- Measures to support national tourism such as a subsidy of EUR 35 per plane seat to tour operators which use Bulgarian air carriers for charter flights to Bulgaria for tourism purposes.
- Support for families with children up to 14 years of age whose parents cannot work remotely from home and do not have the opportunity to use paid leave with total cost BGN 65 million in 2020 and BGN 73 million in 2021.
- 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 billion (3% of GDP). The amendment of the budget envisages an increase of the limit for new debt issuance from BGN 2.2 billion to 10 billion.
- A financial package from the EU structural funds totalling BGN 870 million (EUR 435 million) 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 million/ EUR 2 million).

Tax measures (distinguishing tax delays from other measures)

- The deadline for annual financial statements will be postponed from end-March to end-June (estimated BGN 400 million/EUR 200 million 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 summer 2020 until the end of 2021 with cost BGN 108 million and 234 million respectively.

Measures related to public guarantees

- The capital of the state-owned Bulgarian Development Bank is increased by up to BGN 700 million (EUR 350 million), of which BGN 500 million (EUR 250 million) 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 million (EUR 100 million) will be used to guarantee interest-free consumer loans up to BGN 1500 (EUR 750).

- 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 provides bank guarantees in of BGN 170 million (EUR 87 million), which should serve to secure a loan portfolio of up to BGN 850million. Loans under the scheme will have a term of up to 10 years and the possibility of interest-free loans.

Other measures than fiscal providing liquidity support

- The Bulgarian National Bank announced a package of measures of BGN 9.3 billion (EUR 4.76billion), 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 billion (EUR 0.82 billion). ii) Cancellation of the increase of the countercyclical capital buffer planned for 2020 and 2021 with a total effect of BGN 0.7 billion (EUR 0.36 billion). lii) Increasing the liquidity of the banking system by BGN 7 billion (EUR 3.58 billion) 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).
- During the state of emergency, no restrictions were 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, were temporarily abolished during the state of emergency.
- 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.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- Subsidies for medical establishments to maintain the readiness of clinics / wards for infectious diseases to provide medical care in case of epidemic spread of infectious diseases with cost BGN 15.6 million in 2020 and BGN 29 million in 2021.
- Capital transfers, of BGN 20 million in 2020 and BGN 6 million in 2021, to support hospitals in the context of a Covid-19 pandemic for retrofitting wards, purchasing equipment and building laboratories - purchasing extraction and detection analyzers for PCR testing, providing virological diagnostic equipment, purchasing mobile x-ray machines.
- Additional remuneration / overtime pay / night work / work on weekends and holidays of the employees in the structures of the state administration and the

medical establishments, working on the first line and directly engaged in activities for prevention of the spread of COVID-19 with total cost of BGN 34 million in 2020 and BGN 157 million in 2021.

- The government supports companies with proven impact from the epidemic by covering 60% of the employees' wages and social security contributions for up to three months (60-40 scheme). BGN 1 billion (EUR 500 million) were allocated for this measure. The estimated impact is BGN 720 million in 2020 and BGN 300 million in 2021.
- The government considers further extension of the 60-40 programme in 2021 with additional cost of BGN 250 million.
- Financing from the National Health Insurance Fund to the providers of medical care, dental care and medical diagnostic activities for work in hi-risk environment due to the epidemic situation with COVID-19 with cost BGN 321 million in 2020 and BGN 428 million in 2021.
- Support for families with children up to 14 years of age whose parents cannot work remotely from home and do not have the opportunity to use paid leave with total cost BGN 65 million in 2020 and BGN 73 million in 2021.
- One off measure for top up the pensions of the pensioners by 50 leva (25,5 EUR) for the period August-December 2020 and first 3 months of 2021 with cost BGN 530 and 318 million respectively.
- As of 1 August 2020 the salaries of social workers and labour inspectors were raised by 30%. The budget for personal assistants has been raised by BGN 122 million (EUR 60 million) and the full year impact in 2021 is expected at BGN 170 million.
- As of 1 October the minimum daily unemployment benefit will be raised from 9 BGN to 12 BGN and the eligibility period is extended by three more months.
- Support for families with children up to 14 years of age whose parents cannot work remotely from home and do not have the opportunity to use paid leave with total cost BGN 65 million in 2020 and BGN 73 million in 2021.
- Support for children and families under the Family Children Benefits Act by temporarily abolishing means-testing provisions with total cost BGN 390 million.
- Purchases of vaccines against COVID-19 with provisional cost of BGN 75 million.

Tax measures (distinguishing tax delays from other measures)

- VAT for restaurants and entertainment establishments in the tourism sector will be reduced to 9% as of summer 2020 until the end of 2021 with cost BGN 108 million and 234 million respectively.

Measures related to public guarantees

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Other measures than fiscal providing liquidity support

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CZ

MEASURES WITH IMPACT IN 2020



Expenditure measures

- According to the Convergence Programme, authorities 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 waivers
- On 30 March the government presented the "Antivirus" programme - a wage

compensation scheme, under which the state contributes to the wage costs of employers facing liquidity problems due to the pandemic. The government extended gradually the programme which now runs until November 2020. The main characteristics are:

- 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 with a cap of 39,000 CZK.
- Option B (for companies that closed due to sales, supply or staffing problems): The state will pay 60% of the super-gross wage, up to 29,000 CZK.
- Option C to partially compensate non-wage labour costs to small companies (up to 50 employees) which maintain employment and the wage bill at least at 90% of the level reached at the end of March 2020
- On 7 April, the government adopted a one-off support to all self-employed persons of 25,000 CZK, subject to given conditions. The government decided on 20 April to extend the support, providing the self-employed with a daily 500 CZK daily subsidy to the self-employed. The program is split in two bonus periods: from 12 March to 30 April 2020, and the second from 1 May to 8 June 2020
- Health insurance contributions paid on behalf of the citizens insured by the state were increased by 500 CZK as of 1 June and by additional 200 CZK as of 1 January 2021.
- A support of 3.3 billion CZK was allocated to farmers, foresters and food producers in order to ensure self-sufficiency in food supply.
- Authorities approved a plan to support the accommodation facilities by providing them with a subsidy per day for those days when they could not operate.
- The government boosted the State Transport Infrastructure Fund by 6.5 billion CZK for maintenance and renovation of road and railway infrastructure to foster fading construction activity.
- Authorities 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
- Around 1 billion CZK was paid per week for supplies of protective material in March and April.
- The care payment ('ošetřovné') 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% and will be paid between 1 April and the start of school holidays.
- The lower House approved a subsidy for micro-companies ("limited liability", s.r.o.) for the period of 12 March 2020 – 8 June.

Tax measures (distinguishing tax delays from other measures)

- 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 Chamber of Deputies agreed on 13 May to allow for a deferral of the social security tax.
- The government abolished the 4% real estate acquisition tax to boost the housing

market.

- The government deferred toll payments and road tax payment in order to support road transport companies.

Measures related to public guarantees

- The total amount of new state guarantees programs amount to around 300 billion CZK as of May - 150 billion for large enterprises and 150 billion for SMEs and mid-caps. By mid-May, 8 billion CZK were disbursed.

Other measures than fiscal providing liquidity support

- Authorities allowed a two-year loss carry-back, with a direct impact on the direct tax receipts on accrual basis already in 2020 but more in 2021.
- The Czech National Bank lowered the interest rate three times from 16 March and has now reached 0.25%. It also lowered the Lombard rate and the discount rate.
- The Law of the Czech National Bank was amended, allowing it to expand the range of monetary policy instruments as well as the range of entities with which it can enter into open market transactions, allowing the CNB to buy government bonds, corporate bonds and also high-risk debt until end-2021. The central bank also relaxed the rules for getting a mortgage to soften the impact on the economy.
- 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).
- 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 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.
- The Prague City Council envisages to forgive rent in city-owned properties and provide financial support of up to 45,000 CZK.
- 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.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- Health insurance contributions paid on behalf of the citizens insured by the state were increased by an additional 200 CZK as of 1 January 2021.

- 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%.

Tax measures (distinguishing tax delays from other measures)

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Measures related to public guarantees

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Other measures than fiscal providing liquidity support

- Authorities allowed a two-year loss carry-back, with impact on the tax receipts also on 2021.

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DK



MEASURES WITH IMPACT IN 2020

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 schemes
- 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
- 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 for events over 1.000 participants, lowered to 50 persons)
- 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
- More flexible work-sharing arrangement (arbejdsfordelingsordningen)
- Increased funding for early notice scheme (varslingspulje)
- Support for the travel industry
- Temporary compensation scheme for the media
- Economic support to "efterskoler" (independent residential schools), "frie fagskoler" (independent vocational schools) and other boarding schools
- Suspension of compensation paid by the employer to newly laid off employees
- Economic support for high-risk employees
- Temporary compensation scheme for artists with combined A- and B-income
- Temporary compensation scheme for folk schools, night schools etc.
- Emergency funds for cultural institutions
- Earlier payment of public procurement
- Equity investment in SAS
- Suspension of budgetary restrictions on investment, etc, for regions and municipalities
- Housing energy renovation ("green housing agreement")
- Climate action plan, including two energy islands, power-to-x greening the

- heating sector, ensuring better recycling of Danes' waste and increased energy efficiency, and other major investments Re- and upskilling initiatives
- Targeted one-time tax-free grant of DKK 1,000 for certain households
- Tourism package to boost domestic tourism during the summer holiday

Tax measures (distinguishing tax delays from other measures)

- Earlier repayment of tax credits
- *Tax delays:*
- Extension of companies' payment deadlines of VAT
- Extension of companies' payment deadlines of employers' labor market contributions [*arbejdsmarkedsbidrag*] and income tax [*A-skat*]
- Extension of payment deadlines for B-taxes (provisional tax paid by self-employed businessowners)

Increased tax deduction for corporate R&D expenditure

Measures related to public guarantees

- Guarantees for SMEs and large enterprises
- Danish Travel Guarantee Fund
- EKF (the Danish export credit agency) (liquidity guarantee)
- Guarantees to SAS from the Danish state
- Guarantees underpinning exports and investments

Other measures than fiscal providing liquidity support

- Match financing from the Danish Growth Fund
- Release of the countercyclical capital buffer to support the financial system
- Student loans
- Loans and equity to start-ups and high growth enterprises
- Reinsurance scheme targeted companies using trade credit insurance
- Payout of frozen holiday contributions

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- National platform for crowdfunding
- Innovation Fund "Innobooster" temporarily increased
- Danish Business Authority strengthened
- Suspension of budgetary restrictions on investment, etc, for regions and municipalities
- Re- and upskilling initiatives
- Climate action plan
- Housing energy renovation ("green housing agreement")
- Economic support to "efterskoler" (independent residential schools), "frie fagskoler" (independent vocational schools) and other boarding schools

Tax measures (distinguishing tax delays from other measures)

- Increased tax deduction for corporate R&D expenditure

Measures related to public guarantees

-

Other measures than fiscal providing liquidity support

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DE

MEASURES WITH IMPACT IN 2020



Expenditure measures

- Additional health sector expenditure totalling EUR 18.9 billion: 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;; expenditures for increasing hospital capacity. Further coronavirus R&D expenditures amounting to EUR 1.16 billion (CEPI, vaccine development, product partnerships; university hospitals).
- Establishment of a program of direct grants to the approximately 3 million small business owners. The programme has a volume of EUR 50 billion. Eligibility is defined as having up to 10 employees, and there will be one-off payments ranging from EUR 9.000 to EUR 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.
- More flexible short-time working scheme (“Kurzarbeitergeld”) (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 EUR 10.1 billion on the budget of the Federal Labour Office.
- An additional social protection package includes increases of the short-time allowances and a temporary extension of the eligibility period for receiving unemployment benefits.
- 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 EUR 7.5 billion at the federal and EUR 2.1 billion at the local level.
- Low-income families receive additional support through increases to child support allowances and easier access to minimum social support schemes
- The flexibility of parental allowances is increased temporarily, e.g., income substitution benefits will not be included in the calculation of current and future parental allowance; measures are applied retroactively from March 1 2020
- University students that are not entitled to receive education advancement grants (BAföG) and are in financial distress due to the coronavirus pandemic can receive interest-free loans and non-repayable grants as interim aid.
- 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 about EUR 30 billion.
- The coalition committee has agreed cornerstones for a timely, targeted,

temporary, and transformative stimulus package worth 130 bn EUR (incl. targeted support for the green and digital transformation [50 bn EUR or ca. 40 % of the stimulus package]; continued stabilisation of the economy through extension of liquidity and employee support; demand stimulus through one-off payments and consumption tax cuts; enhancement of public investment, esp. at the local level)

Tax measures (distinguishing tax delays from other 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 EUR 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.
- Employers can receive an extension of up to two months for the income tax registration.
- Taxpayers still unassessed for 2019 can apply for a reduction of advance payments (based on a lump-sum tax loss carryback) and can receive a tax refund.
- 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 EUR 33.5 billion at the federal level and EUR 50.7 billion at state and local level (taken together).

Measures related to public guarantees

- 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. Addition of a targeted program for start-ups and small businesses.
- The federal government will guarantee up to EUR 30 billion in compensation payments of credit insurers.
- Expansion of activities of guarantee banks and of the large-scale-guarantee scheme; granting of guarantees for the Landwirtschaftliche Rentenbank (to support the agricultural sector).
- 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 EUR 50 Mio., balance sheet volume exceeding EUR 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 EUR 100 billion 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 EUR 400 billion 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 EUR100 billion of additional financing to KfW, if needed for the funding of the loan programs of KfW outlined above.

- The expansion of guarantees provided by the “Länder” amounts to EUR 72.7 billion

Other measures than fiscal providing liquidity support

- The measures taken will have a significant impact on the budget. The German parliament has authorized EUR 122.5 billion of additional spending funded by EUR 156 billion EUR of credit authorizations. The balance between these numbers of EUR 33.5 billion 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.
- 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

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- See above under 2020 as measures taken also apply in 2021 and possibly beyond.

Tax measures (distinguishing tax delays from other measures)

- See above under 2020 as measures taken also apply in 2021 and possibly beyond.

Measures related to public guarantees

- See above under 2020 as measures taken also apply in 2021 and possibly beyond.

Other measures than fiscal providing liquidity support

- See above under 2020 as measures taken also apply in 2021 and possibly beyond.

EE

MEASURES WITH IMPACT IN 2020



Expenditure measures

- 70% of the previous income will be ensured for people who lost their jobs due to indirect impact of the outbreak, 250 million
- Additional funding to healthcare, total 286 million
- 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 million
- Public investments, 144 million
- Local governments, 70 million
- Education, 15 million
- Culture, 25 million
- Stopping payments to the 2 pillar pension funds, savings of 142 million in 2020.

- Social support, 11 million

Tax measures (distinguishing tax delays from other measures)

- Tax deferrals, lower interest on tax debt, 148 million
- Tax cuts for excises on electricity, gas and diesel, 135 million annually
- Tax cuts for shipping, 37 million

Measures related to public guarantees

- State guarantees to companies having loans and other credit obligations, administered via state agency Kredex and Rural Development Agency:
 - o State guarantees for existing bank loans of companies (EUR 1.5 billion).
 - o Working loans to overcome the liquidity problems (EUR 500 million)
 - o Investment loans to take advantage of the new business opportunities (EUR 50 million).
 - o 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).

Other measures than fiscal providing liquidity support

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MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- Some of the 2020 measures will likely have implementation delays and extend into 2021
- The 2021 state budget will define various additional measures to support the economy and finance healthcare, the exact content of such measures will likely be known over October.

Tax measures (distinguishing tax delays from other measures)

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Measures related to public guarantees

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Other measures than fiscal providing liquidity support

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IE



MEASURES WITH IMPACT IN 2020

Since 9th March to date, the Government has agreed **a package of measures to the value of c. €24.5 billion** (14% GNI*) to deal with the public health and economic impact of the coronavirus.

Expenditure measures

- **Illness Benefit:** sick pay of EUR 350 per week for people affected by coronavirus.
- **Pandemic Unemployment Payment** (extended till 1st April 2021 – estimated cost EUR 4.3bn in 2020 and EUR 0.4bn in 2021): Emergency unemployment payment

to those who have lost their jobs on or before 13th March due to Covid-19.

- **Temporary COVID-19 Wage Subsidy Scheme (TWSS)** (ended on 31 August – total cost incurred EUR 2.853bn): 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.
- **Employee Wage Subsidy Scheme (EWSS)** [The EWSS will run until 1st April 2021. Estimated cost EUR1bn for 2020 and 0.9bn for 2021]: This measure replaces the TWSS from September. The EWSS aims to subsidise employment creation by providing a flat per-employee grant to firms with turnover at 70% or less of pre-pandemic levels.
- Extension of **fuel allowance** season by four weeks from Friday 10th April to Friday 8th May to support current recipients in relation to additional heating costs.
- **Healthcare**: almost EUR2 billion is to support the health service in scaling-up and maximising its capacity. This covers, among others, freeing-up of space in hospitals, the centralization of procurement of protective gear and an increase in home testing and remote management of patients; expansion of the Intensive Care Unit (ICU). 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.
- **Business supports**
- Extension of supports for **online trading** for business with over 10 employees - EUR2million 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 EUR2,500 **Trading Online Voucher Scheme** for microenterprises – available amount EUR5.6m. The scheme has been made more flexible since its initiation - allowing businesses to apply for a second voucher of up to EUR2,500 (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 EUR2m 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
- €10,000 **restart grant** for micro and small businesses based on a rates/waiver rebate from 2019 (estimated cost EUR 0.55bn in 2020).
- Home Building Finance Ireland launched a series of **new construction funding measures**, providing new funding of €200m for house builders, including major apartment developments, and widening the range of qualifying house builders.
- **Business Financial Planning Grant** from Enterprise Ireland to the value of EUR5,000 to assist companies to develop a Business Sustainment Plan and to engage the services of an approved Financial Consultant
- A new EUR2,500 **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.
- **Commercial Rates Payment Break/Reductions** (estimated at EUR 600 million)
- commercial rates are being waived for a six month period beginning on 27 March for businesses that have been forced to close due to public health requirements.

Tax measures (distinguishing tax delays from other measures)

- **With immediate direct impact on General Government balance:**
- **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.
- 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.
- **VAT cut:** temporary reduction in the standard rate of VAT, from 23% to 21%, for the period 1st September 2020 to 28th February 2021 (estimated at EUR 0.28bn in 2020 and EUR 0.16 in 2021)
- **Tax relief for self employed:** Self-employed individuals who were profitable last year but face a loss this year arising from the pandemic will be able to utilise up to EUR 25,000 of 2020 losses and off-set these against 2019 profits, providing a cash flow boost. (estimated at EUR 0.15bn in 2020)
- **Corporation Tax loss relief:** allowing previously profitable firms, now experiencing losses as a result of the pandemic/public health measures, to receive accelerated re-payments that would otherwise become due over the next 18-month period, providing cash-flow support to businesses. (estimated at EUR 0.45bn in 2020)
- The **'Help To Buy' scheme**, which provides tax relief to first-time buyers of new homes, has been extended till end 2020 and enhanced so that the level of support available to first time buyers will be increased to either EUR 30,000 (up from EUR 20,000 previously) or 10 per cent (up from 5 per cent previously), whichever is lower. (cost of extension estimated at EUR 200mn in 2020).
- **'Stay and spend'** initiative designed to support the food and accommodation sectors by boosting off-season demand for these sectors. The scheme allows for taxpayers to claim a tax credit of 20% of their expenditure on consumption on accommodation, food and non-alcoholic drinks between the period 1st

October 2020 and 30th April 2021. The maximum tax credit available per taxpayer is €125. (estimated cost EUR 0.14 in 2021).

- **Without immediate direct impact on General Government balance:**
- Early payment of 2020 instalments of excess Research and Development (R&D) Tax Credits.
- 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.
- 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.
- The **'warehousing' of tax liabilities** for a period of twelve months after recommencement of trading during which time there will be no debt enforcement action taken by Revenue (estimated at EUR2 billion).
- Tax Clearance: current tax clearance status will remain in place for all businesses over the coming months.
- RCT (Relevant Contract Tax): the RCT rate review scheduled to take place in March 2020 was suspended.
- **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 21st March 2020 to 21st May 2020.
- **Customs:** critical pharmaceutical products and medicines will be given a customs 'green routing' to facilitate uninterrupted importation and supply.

Measures related to public guarantees

- **The Credit Guarantee Scheme** (operated by the SBCI since 2018 assists viable borrowers to access credit from their banks, with the State providing an 80% guarantee €150m per year is available under the Credit Guarantee Scheme. Loans from €10,000 to EUR1 million are available.
- €2bn COVID-19 **Credit Guarantee Scheme** to support lending to SMEs for terms ranging from 3 months to 6 years, which will be below market interest rates.
- €2bn **Pandemic Stabilisation and Recovery Fund**, which will make capital available to medium and large enterprises.
- **Sustaining Enterprise Fund** of up to EUR180 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 EUR800,000 in accordance with new EU State Aid rules.
- EUR375m in lending under the SBCI COVID -19 **Working Capital Loan Scheme**. Loans can be between EUR25,000 and EUR1.5m at a maximum interest rate of 4%. Loan terms range from 1 to 3 years.
- An additional EUR500m in COVID-19 funding for the **Future Growth Loan Scheme** to provide longer term loans to COVID-19 impacted businesses.
- **MicroFinance Ireland** has increased its potential loan threshold from EUR25,000 to EUR50,000 with terms that include a six months interest free and repayment free moratorium. On 8 April, expansion of Microfinance

Ireland funding by EUR13 million to EUR20 million for COVID-19 loans with interest rates dropped from 7.8% to 4.5%.

Other measures than fiscal providing liquidity support

- **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 24th 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.
- *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).
- **Six month payment moratoria:** In March banks introduced a three-month payment moratoria on mortgages, and personal and business loans for some business and personal customers affected by COVID-19. A similar moratoria was granted in respect of local authority mortgages (14/04/2020). This was extended to six months 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 BPFI have recently launched a media campaign (07/09/20) to assist those who will be coming off the payment breaks in the coming weeks.
- The payment break will not be recorded as missed payments on borrowers' credit record and recording on the Central Credit Register will be adjusted.
- State guarantee for a special form of refund credit note for package holidays booked through Irish registered travel agents and tour operators (8/05/2020).

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- **Pandemic Unemployment Payment** (extended till 1st April 2021 – estimated cost for 2021 of EUR 0.4bn): Emergency unemployment payment to those who have lost their jobs on or before 13th March due to Covid-19.
- **Employee Wage Subsidy Scheme (EWSS)** [expected to run until 1st April 2021. Estimated cost for 2021 at EUR 0.9bn]: aims to subsidise employment creation

by providing a flat per-employee grant to firms with turnover at 70 per cent or less of pre-pandemic levels.

Tax measures (distinguishing tax delays from other measures)

- **VAT cut:** temporary reduction in the standard rate of VAT, from 23% to 21%, for the period 1st September 2020 to 28th February 2021 (estimated at EUR0.16 in 2021)
- **‘stay and spend’** initiative designed to support the food and accommodation sectors by boosting off-season demand for these sectors (described above). Estimated to run until 3^{0th} April 2021 at a cost of EUR 0.14 in 2021.
- Interest reduction on tax liabilities, estimated at EUR 20mn in 2020.

Measures related to public guarantees

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Other measures than fiscal providing liquidity support

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EL



MEASURES WITH IMPACT IN 2020

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 307 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 20 million.
- 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 and June. The total cost is estimated at EUR 458 million and through re-allocation of public investment budget.
- 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 until December. The beneficiaries are determined on the basis of NACE codes of the firms in which they are employed. The total cost at EUR 1.329 billion.
- 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 and July. Total cost is estimated at EUR 38 million and will be financed through a re-allocation of public investment budget.
- 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 40 instalments, following a grace period until end 2021 and at a low interest rate. The cost of the measure is estimated at EUR 3.96 billion and it will be partially financed (EUR 1.0 billion) by the Corona response investment initiative (CRII).

- 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 90 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 105 million.
- Similarly, the State will cover the fraction of Christmas bonus of private sector employees that corresponds to the period of suspension. The total cost of the partial payment of Christmas bonus by the state is estimated at EUR 150 million.
- Economic support of 600 euros was provided to six scientific sectors (economists/accountants, engineers, lawyers, doctors, teachers and researchers). The total cost reached at EUR 103 million.
- 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 (until August). The cost is estimated at EUR 540 million.
- Reduction of clawback to hospitals and compensation. Estimated cost at EUR 19 million.
- Compensation of passenger ships. Estimated cost at EUR 33 million.
- Increased expenditures related to the Covid-19 crisis in Ministries other than the Ministry of Health. Estimated cost at EUR 211 million.
- Unemployment benefit of 400 euros to 155,000 beneficiaries that became long-term unemployed since April 2019. Estimated cost at EUR 65 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 December. The total cost is estimated at EUR 624 million.
- 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. The total cost is estimated at EUR 179 million which will be financed by the Corona response investment Initiative.
- A new social tourism programme is implemented by the Ministry of Tourism. The cost is estimated at EUR 100 million and will be financed through a re-allocation of public investment budget.
- Extension of the existing social tourism programme implemented by the

Employment Fund (OAED). The additional fiscal cost is estimated at EUR 17 million for 2020.

- Increased advertising expenditures of the Greek National Tourism Organization. The cost is estimated at EUR 23 million.
- Subsidy of primary residence mortgage payments for borrowers that have been affected by the outbreak. The cost is estimated at EUR 72 million in 2020.
- Introduction of a short-term work scheme until end December 2020. The scheme's fiscal cost is estimated at EUR 300 million.
- Provision of an unemployment benefit to seasonal workers. The cost of the measure is estimated at EUR 32 million.
- Provision of a special allowance for seasonal workers in the tourism sector. The fiscal cost is estimated at EUR 223 million.
- Compensation of passenger seats for airlines, for April and May. The cost is estimated at EUR 6 million.
- Compensation to amateur sport clubs with an estimated cost of EUR 12 million.
- Coverage by the State of the social security contributions of employees in companies whose turnover exhibits a marked seasonal pattern. The cost of the measure is estimated at EUR 240 million
- Introduction of a new hirings subsidy program which will subsidize the social security contributions of 100.000 new recruitments for 6 months. The cost is estimated at EUR 81 million in 2020.

Tax measures (distinguishing tax delays from other measures)

- Suspension of VAT and other tax obligations' payments that were due between 11 March and 31 May and of other tax obligations that were due between 11 March and 30 June 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 deferred amounts will be repaid in 24 instalments starting in April 2021. The deferred revenues are estimated at several hundreds of millions euros.
- 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 deferred amounts will be repaid in 24 instalments starting in April 2021. The deferred revenues are estimated at several hundreds of millions euros.
- 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, May and June. The deferred revenues and the fiscal impact for 2020 are estimated at EUR 193 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. The budgetary impact is estimated at EUR 102 million.
- 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. The budgetary impact is estimated at EUR 154 million.
- 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. Deferred amounts are estimated at EUR 13 million.
- Tax deductions for owners that receive reduced rent as a result of the crisis. The measure is in force between March-August and the estimated fiscal cost stands at EUR 61 million.
- Reduction of the VAT rate for transport services, coffee and beverages, tourist packages and cinema tickets for the June2020-April 2021 period. The fiscal cost is estimated at EUR 173 million in 2020.
- Reduction in the advance payment for Corporate Income Tax for companies that have been affected by the outbreak. The size of the measure is estimated at EUR 1,547 million and is broadly fiscally neutral over the 2020-2021 period.
- Reduction of the Corporate Income Tax advance payment to zero for airline companies. The size of the measure is estimated at EUR 53 million and is fiscally neutral over the 2020-2021 period.

Measures related to public guarantees

- 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

Other measures than fiscal providing liquidity support

- 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. The measures entails a small budgetary impact of EUR 4.4 million in 2020.
- 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. -August and is estimated to have a budgetary impact of EUR 36 million in
- 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.
- Expansion of the operations of the Hellenic Development Bank (HDB) (EUR250 million 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
- Provision of guaranteed loans to enterprises through the Hellenic Development Bank, under the Entrepreneurship Fund project (TEPIH II). Total guarantees extended will equal EUR 588 million and are expected to leverage lending of EUR 1.47 billion.
- Direct payment of arrears to SMEs and natural persons (EUR13 million aggregate amount): tax administration disbursed arrears worth up to EUR 30 000 through accelerated audit procedures. This measure does not have a fiscal impact on the balance.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- Extension of the existing social tourism programme implemented by the Employment Fund (OAED). The additional fiscal cost is estimated 10 million for 2021.
- Subsidy of primary residence mortgage payments for borrowers that have been affected by the outbreak. The cost is estimated at EUR 187 million in 2021.
- Introduction of a new hirings subsidy program which will subsidize the social security contributions of 100.000 new recruitments for 6 months. The cost is estimated at 302 million in 2021.

Tax measures (distinguishing tax delays from other measures)

- Reduction of the VAT rate for transport services, coffee and beverages, tourist packages and cinema tickets for the June2020-April 2021 period. The fiscal cost is estimated at 99 million in 2021.
- Reduction by 3 p.u. of the SSCs of wage earners in the private sector. The fiscal cost is estimated at EUR 789 million in 2021
- Suspension of solidarity tax in the private sector payable in 2021. The fiscal cost is estimated at EUR 744 million in 2021

Measures related to public guarantees

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Other measures than fiscal providing liquidity support

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MEASURES WITH IMPACT IN 2020

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.
- 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.
- 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.

- 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.
- The possibility of resorting to ERTes due to force majeure causes related to COVID-19 has been extended at least until 30 June 2020. Changes were also made to the employer social security contributions exemption regime so as to encourage the return to activity for firms with partial ERTes. In addition, companies headquartered in tax havens will not be able to benefit from ERTes applied in force majeure cases.
- On June 26th, a new extension (until 30th September) of the possibility of resorting to ERTes due to force majeure causes related to COVID-19 was adopted. Changes were also made to the employer's social security exemptions regime:
 - Companies of less than 50 employees unable to restart their activity will benefit from exemptions of 70% in July, 60% in August and 35% in September.
 - Companies of more than 50 employees will benefit from an exemption of 50% in July, 40% in August and 25% in September.
 - There will also be a reduction in the exemptions in the case of partial ERTes.
- Companies forced to close as a result of new outbreaks will allowed to resort to ERTes due to force majeure cases. In this case, companies of less than 50 employees will benefit from an exemption of the employer's social security contributions of 80%, and of 60% if the company has more than 50 employees.
- An extraordinary allowance is provided for self-employed workers (autónomos) affected by the suspension of economic activity
- 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.
- 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%.
- Nationwide minimum income scheme

Tax measures (distinguishing tax delays from other measures)

- 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. On July 3rd, this exemption was extended to cover July to October 2020.
- 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).
- 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.
- 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 20th 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).
- 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 and deferral of port charges.
- 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 31st.
- 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.
- Plan Renove 2020. Subsidies for automobile fleet renewal. 250 million euros until December 21st 2020.
- Twelve-month credit postponement on mortgage payments for properties assigned to activity for firms and self-employed in the tourism sector
- New financing line for investments projects in digitalisation and innovation in the tourism sector (216 millions).
- Reduction of minimum traffic requirements in port concessions, when concessionary's traffic has been affected by COVID 19 consequences.
- Six months' credit payments deferral for loans, leasing and renting contracts for passenger buses and road transport vehicles if activity has been severely affected by COVID pandemic.

Measures related to public guarantees

- 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.
- 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 21st, 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 5th. 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).
 - A fourth tranche amounting to 20 billion was activated on May 19th. This tranche is entirely devoted to cover loans to self-employed workers and SMEs, covering 80% of loans and loan renewals.
 - A fifth and last tranche amounting to the remaining EUR 15.5 billion was activated on June 16th. The 15.5 billion of this tranche comprise: (i) 7.5 billion for SMEs and self-employed workers, (ii) 5 billion for large companies, (iii) 2.5 billion for SMEs and self-employed workers in the tourism sector and related activities, and (iv) 500 million for companies and self-employed workers for the purchase or lease of vehicles for professional use.
- 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.
 - New line of guarantees via the national development bank (Instituto de Crédito Oficial) of up to EUR 40 billion for new investments projects.
 - Solvency Support Fund for strategic companies. Up to 10 billion euros. The Fund will provide temporary capital support (through equity loans, subordinated debt or participation in equity or other capital instruments) to companies considered strategic for their economic and social impact or for reasons of security, health, infrastructure, communications or contribution to the good functioning of

financial markets.

Other measures than fiscal providing liquidity support

- 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.
- 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.
- 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.
- 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 21st, 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 21st, 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 31st to ensure the coverage of all foreign investment effectively controlled by third country companies.
- 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.
- 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).
- 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 5th, 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.
- On June 16th, the Government approved the creation of the COVID-19 Fund, amounting to 16 billion. Funds will be transferred to the regions to finance the cost of the pandemic and to compensate their loss of income. It will be disbursed to the regions in four tranches.
- Supplemental credit of 110 million euros to Sociedad Estatal de Infraestructuras del Transporte Terrestre, S.A. (SEITSA), to compensate the reduction in road tolls revenues.
- 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.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- COVID-19 sickleave benefit regime extended until 31 January 2021
- An extraordinary allowance is provided for self-employed workers (autónomos) affected by the suspension of economic activity (until January 2021)
- Temporary employment adjustment schemes (ERTEs) extended until January 2021 with different conditions and new type of schemes (ERTEs by impediment or by limitation of activities were created)
- The nationwide minimum income scheme (permanent)

Tax measures (distinguishing tax delays from other measures)

- Social security exemptions linked to ERTE or to self-employed extraordinary allowance are prolonged with the scheme until 31/01/21

Measures related to public guarantees

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Other measures than fiscal providing liquidity support

- Suspension of evictions for six months after the declaration of the state of alarm (prolonged until 31/01/2021).
- 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. Tenants can request the rent deferral until end January 2021.
- Support programme for the car industry, amounting to EUR 3.75 billion (which include, among other components, 500 million of the ICO guarantee line). The plan consists of several pillars, including: (i) the renewal of the vehicle fleet towards a more modern and efficient one, (ii) investments and regulatory reforms to boost competitiveness and sustainability, (iii) research, development and innovation related to the new challenges, and (iv) measures in the field of professional training and qualification.
- Support programme for the tourism sector ('Towards a safe and sustainable tourism'). The plan consists of five pillars and 28 measures, and amounts to EUR 4.2162 billion (which include, among other components, 2.5 billion of the last tranche of the ICO guarantee line). The five pillars are following: (i) regaining trust as a destination, (ii) measures for the sector's reactivation, (iii) improvement of competitiveness of the tourist destination, (iv) improvement of the tourism knowledge and intelligence model, (v) marketing and promotion.

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MEASURES WITH IMPACT IN 2020

Expenditure measures

Health measures:

- **Emergency** financial support to healthcare system, via EUR about 10 billion 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.
- **Emergency** expenditure for purchasing and distribution of non-surgical masks for EUR 0.3 billion.
- Increase in compensation of healthcare employees for about EUR 1 billion. Part of a broader **recovery and investment** plan for the healthcare sector (Ségur de la Santé), with impacts as from 2020 till 2025.

Other measures:

- **Emergency** support to employment via extension of the ordinary temporary unemployment scheme ("chômage partiel"): access conditions eased (automatic upon request by firms) and extended eligibility. 70% of gross wages ensured (up to a ceiling of 4.5 times the minimum wage), entirely covered by the government until June for all beneficiaries. Public coverage progressively decreased after but for most hit sectors. Latest estimated budgetary impact of EUR 30.8 billion.
- Ordinary temporary unemployment scheme and a newly created long-term unemployment scheme deployed in 2021 in the context of the national **recovery** plan, with budgetary impact in 2020 to be clarified.
- **Emergency** solidarity fund including a tax-exempt lump sum compensation corresponding to the loss of turnover over one year for VSEs, self-employed workers, micro entrepreneurs and liberal profession experiencing a very sharp drop in turnover or subject to administrative closure. Additional aid for businesses with at least 1 employee threatened with bankruptcy. Intensity of subsidy and

eligibility progressively extended and focussed on most hit sectors. EUR 8.5 billion, including contribution from the regions of EUR 500 million, plus EUR 400 million contribution by insurers (with no budgetary impact).

- **Emergency** creation of a EUR 500 million 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.
- **Emergency** creation, in the second and third amended budget law, of additional reserves in the central government budget for unforeseen expenditures (EUR 5.6 billion).
- **Emergency** solidarity aid to the most fragile households for about EUR 0.9 billion.
- **Emergency** 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 1.6 billion.
- **Emergency** mobilisation of the financial reserves of the self-employees' complementary pension scheme to provide exceptional aid, up to EUR 1,250, in the craftsmanship and retail sector. The aid will be exempted from taxes and social contributions. Estimated overall impact of EUR 900 million.

Tax measures (distinguishing tax delays from other measures)

Tax delays

- **Emergency** postponement of social and fiscal deadlines for all companies upon simple request for March, to June. Estimated amount EUR 38 billion. They may lead on a case-by-case basis to tax relief for the most distressed companies. Impact of foregone revenues for 2020 estimated at EUR 4.5 billion.

Other measures

- **Emergency** exemption from social security contributions for SMEs, VSEs and independent workers operating in the worst hit sectors (tourism, hotels, cafés and restaurants, events and culture sectors) during the administrative closure. Estimated impact of EUR 5.2 billion.
- **Emergency** advanced reimbursement to companies of credits stemming from the carry-back of losses. Estimated impact of EUR 400 million.

Measures related to public guarantees

- Scheme enabling the State to guarantee EUR 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. EUR 120.2 billion uptake on 18 September.
- Public reinsurance on outstanding credit insurance for companies to maintain their activity up to EUR 10 billion.
- Reinsurance of short-term export credits has been increased from EUR 1 billion to EUR 5 billion, in the context of a broader contingency plan.
- 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 EUR 5 million for SMEs, and EUR 30 million for small and medium enterprises, with a significant deferral of repayment (ii) loans from EUR 10,000 to EUR 300,000, subsidised over 7 years with a 2-year grace period.

Other measures than fiscal providing liquidity support

- **Emergency** opening of a credit line (EUR 20 billion) for strategic industrial companies in need of support from the state, covering capital injections and investments or nationalisation.
- **Emergency** increase of the capacity of the economic and social development fund (FDES) addressed to medium-sized enterprises in need up to EUR 1 billion. **Emergency** advanced refund of tax credits (including start-ups) and VAT credit claims for EUR 14 billion but with no budgetary impact currently estimated.
- **Emergency** 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”)
- **Emergency** 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 (tbc).
- 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. It will extend the scope of the claims that can be mobilised on 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.
- Beyond other small ones, comprehensive recovery plans were defined for the following main sectors: tourism (EUR 18 billion), automotive (EUR 8 billion), aeronautics (EUR 15 billion). The plans include ad hoc measures for each sector, with no direct budgetary impact, and the contribution of cross-sectoral support measures already implemented, such as public guarantees, temporary unemployment scheme, direct subsidies and tax deferrals and cancellation.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- The government announced a recovery and investment plan for EUR 100 billion (France Relance). This involves some measures with impact starting in 2020 already as well as beyond 2022, but it is mostly concentrated over 2021 and 2022. The exact budgetary impacts and timeline of expenditure and investment is still to be clarified, while not all the measures of the plan will imply direct impacts for the public deficit. Also revenue measures are included.
- Ordinary temporary unemployment scheme and a newly created long-term unemployment scheme deployed in 2021 in the context of the national **recovery** plan for EUR 6.6 billion, associated with increased expenditure on training of workers under the scheme for EUR 1 billion.
- Non-emergency healthcare expenditure linked to COVID-19. EUR 5 billion for purchasing of masks, testing, vaccines and reimbursement to pharmacies.
- Increase in compensation of healthcare employees for about EUR 5.8 billion. Part of a broader **recovery and investment** plan for the healthcare sector (Ségur de la Santé), with impacts as from 2020 till 2025.

Tax measures (distinguishing tax delays from other measures)

- Permanent reduction of production taxes for EUR 10 billion a year in 2021 and 2022 in the context of the recovery plan France Relance.

Measures related to public guarantees

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Other measures than fiscal providing liquidity support

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HR



MEASURES WITH IMPACT IN 2020

Expenditure measures

- Subsidies for businesses in difficulties paid out per worker in the amount of the minimum wage (HRK 3 250) plus social contributions in March and in the amount of HRK 4 000 in April and May, subject to the following eligibility criteria:
 - o The business must experience a drop in revenue of at least 20%
 - o 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.
- Short time working scheme for the temporary reduction of working time in the period June-December 2020. The measure is limited to businesses employing 10 or more employees in any sector (a separate measure was tailored to smaller businesses and was not included in the provisional request for SURE financing). The amount of net compensation for part-time hours is calculated according to the formula: up to HRK 4 000 per worker divided by the worker's monthly number of full-time hours, multiplied by the number of hours for which support is granted, with a cap of HRK 2 000 net per worker monthly. The scheme can cover up to 50% of any one employee's aggregate number of monthly working hours.

Tax measures (distinguishing tax delays from other measures)

- Tax deferral: possibility to defer the tax liability accrued during three months, applicable to personal income tax, corporate income tax and social contributions, with a grace period of up to 24 months for all businesses, subject to the following eligibility criteria:
 - o The business must have no substantial pre-existing tax debt
 - o The business must experience a (projected) drop in revenue of at least 20% on a monthly or quarterly basis
- Tax cancellations: the payment of the (deferred) tax liability (applicable to personal income tax, corporate income tax and social contributions) accrued during three months is waived 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 share of the tax liability which is waived will equal the rate of the drop in revenue.

Measures related to public guarantees

- 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 a portfolio insurance scheme worth HRK 6 billion and another programme of favourable loans for SMEs in the amount of around HRK 7.5 billion

Other measures than fiscal providing liquidity support

- 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 vegetables, 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.
- The city of Zagreb is allowing deferrals on all payments to the city for pensioners

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

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Tax measures (distinguishing tax delays from other measures)

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Measures related to public guarantees

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Other measures than fiscal providing liquidity support

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MEASURES WITH IMPACT IN 2020

Expenditure measures

Since March, the Italian government has adopted three fiscal packages with a direct fiscal impact in 2020 to counter the effects of the pandemic, amounting to EUR 100.3 billion (6.3% of GDP), as follows:

- Law Decree no. 18 from 17 March ('Cura Italia' decree) containing measures to strengthen the national health system and for the economic support of households, workers and firms – EUR 20 billion
- Law Decree no. 34 from 19 May ('Recovery' decree) containing measures on healthcare, economy, jobs and social policies – EUR 55.3 billion
- Law Decree no. 104 from 14 August ('August' decree) adopting a more selective approach in measures, including some forward-looking elements – EUR 25 billion

Healthcare measures amount to over EUR 8 billion for 2020 and include, among others, the following:

- Strengthening of hospital infrastructures such as hospital beds, including in intensive care units (EUR 1.4 billion)
- Increasing the fund for emergencies (EUR 1.5 billion)

Support for employment, including for the self-employed, amounts to around EUR 27 billion as follows:

- Around EUR 19 billion as wage supplementation schemes aimed to safeguard jobs in all its variations (ordinary, extraordinary and in derogation), available to all

firms. Through the subsequent decrees, these schemes were extended until the end of 2020. Employers claiming funds under these schemes and employers benefiting of social contribution exemption, there is a suspension of layoffs in place.

- Around EUR 8 billion in support to self-employed and freelancers through various schemes:
- an allowance of EUR 600 for the months of March and April 2020 for self-employed persons and freelancers. Freelancers who experienced a reduction of at least 33 % of their earnings in March and April 2020 on a year-to-year basis are also entitled to a EUR 1000 allowance for May 2020. A further allowance of EUR 600 for March 2020 is granted to self-employed workers and freelancers registered with private mandatory social security institutions
- an allowance of EUR 600 for the month of March 2020 and of EUR 500 for the month of April 2020 for fixed-term employees in agriculture; an allowance of EUR 600 for the months of March, April and May 2020 for workers in the entertainment industry (with annual income up to EUR 50 000); an allowance of EUR 600 for the months of March, April and May 2020 for collaborators of sports associations; an allowance of EUR 600 for the months of March, April and May 2020 for on-call workers and an allowance of EUR 500 for the months of April and May 2020 for domestic workers.
- non-repayable grants for self-employed workers and individual enterprises. The amount of the grant is calculated taking into account the drop in turnover suffered in April 2020 compared to April 2019 (from a minimum amount of EUR 1 000 to a maximum of 20 % of the drop in turnover).
- The August decree introduced a new 1,000 € one-off allowance for some of the workers that benefited by the former allowance (seasonal workers in the tourism, entertainment and other sectors, other atypical employees) and the lower allowances for the sport and the shipping sector were extended.

Other expenditure:

- Around EUR 7.5 billion in other forms of income support, including various social benefits such as:
- paid leave for persons affected by disabilities or for caregivers who assist people affected by disabilities until June; sick leave for people in quarantine until July;
- parental leave benefits for up to 30 days in the period from 5 March 2020 to 31 August 2020 for employees or self-employed persons with children up to 12 years old (or above 12, where the child is disabled and still attending school) covering 50 % of their income
- baby-sitting vouchers for a maximum of EUR 2 000 as an alternative to parental leave benefits and valid for the same period
- extra unemployment benefits for those who see their ordinary income support expire in May and June;
- Around EUR 12 billion in transfers to regional and local governments to compensate for the decline in revenues from own and shared taxes;
- Around EUR 1.5 billion for the education system, including the reopening of schools;
- Around EUR 11 billion in support for the loss compensation of firms;
- Around EUR 7.5 billion in support to various sectors (tourism, culture, transport, innovation, climate, etc.);
- Around EUR 8 billion as public guarantee provisions (see below more details).

Tax measures (distinguishing tax delays from other measures)

- EUR 20 billion for abrogation of the VAT safeguard clauses in 2021.
- EUR 4 billion for the abrogation of the regional tax on productive activities (IRAP) due in 2020 (balance payment for 2019 and advance payment for 2020) for firms and self-employed workers with yearly turnover up to EUR 250,000.
- EUR 0.5 billion as exemptions from social security contributions, for up to 4 months until the end of 2020, to employers having benefited of the extraordinary wage supplementation schemes in May and June that no longer claim it afterwards.
- EUR 1.5 billion as temporary reduction of 30% of the social security contributions paid by employers on employment contracts based in a region of the South in October – December 2020.
- Around EUR 2 billion in other tax cuts, including:
 - Exemption from first and second instalment of the property tax (IMU) for 2020 for reception and entertainment facilities. Extension of the exemption to 2021 and 2022 for cinemas and theatres.
 - Exemption from ground occupation taxes (TOSAP and COSAP) until 31 December 2020.
 - Extension to 2021 of existing tax breaks for firms that undertake a new economic initiative in the areas of central Italy affected by the 2016 earthquake
 - Tax credit of 60% of the rent for the months of March, April and May for businesses and self-employed up to 5 million revenues who recorded a 50% drop in March, April and May turnover. Hotels, agritourist facilities and other touristic facilities can take advantage of the credit regardless of the size and turnover reduction
 - Tax credit for holidays (for households with yearly income below EUR 40 000.
 - Exemption from VAT on protection and safety devices in 2020, and reduction to 5% VAT afterwards.
- Around EUR 6 billion in various tax deferrals, including:
 - Suspension of instalments plans until the end of 2022 of tax and social security payments due in April and May 2020 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 EUR 50 mln, or a 50% drop in turnover with revenues of over EUR 50 mln. In particular, 50% of payments has to be paid by 16 September 2020 (or in 4 monthly instalments) and the remaining 50% in 24 instalments starting from January 2021.
 - Deferral of enforced payments of tax debts until 15 October 2020.
 - Two years postponement of tax verifications for the tax year 2015; further postponement to September of payments for past tax liabilities emerging from audits

Measures related to public guarantees

- Italy adopted various public guarantees since the start of the crisis which account to over EUR 600 billion in maximum loans covered and over EUR 450 billion in maximum contingent liabilities.
- Take-up of guarantees as of 30 September amounts to almost EUR 100 billion (85 billion for the SMEs guarantee fund and 14 billion for large firms)
- The “Liquidity” decree contains new public guarantees to support credit to business aimed at mobilizing up to EUR 400 billion (more than 20% of GDP): A) 200 billion for all firms hit by the crisis and B) up to 200 billion 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 billion 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 depend on firms' turnover: 1) Business with a turnover below EUR 1.5 billion and less than 5000 employees will benefit from 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 billion 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%. The D.L. n. 34/2020 "Relaunch" then authorized SACE to provide guarantees in favor of insurance companies of the credit branch on the indemnities generated by the exposures relating to short-term commercial credits accrued from 19 May 2020 (date of entry into force of the decree law) until December 31, 2020, within the maximum limit of 2,000 million euros. The guarantee operates on 90% of the indemnities. The state guarantee also operates on SACE's commitments in this case.

- The "Cura Italia" decree introduced a state guarantee, worth around EUR 3.5 billion (0.2% of GDP) on: 1) up to one third of the total financing received by SMEs (or 1 500 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). 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 "Cassa Depositi e Prestiti SpA", also as guarantees.
- The "Cura Italia" decree strengthened the SME Guarantee Fund (through an additional EUR 1.5 billion) providing up to EUR 5 million on loans to SMEs in distress for the nine months following the decree; This fund was substantially increased by the "Liquidity" decree. Procedures to access the guarantees from the Fund for SMEs have been substantially eased. Financing below EUR 30,000 will benefit from a 100% guarantee and will not require prior assessment; financing up to EUR 800,000 and for business with a turnover below EUR 3.2 million will also benefit from a 100% guarantee but will be subject to prior assessment. Above that threshold and up to EUR 5 million 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 MidCaps (up to 499 employees). The "Recovery" decree refinanced the SME Guarantee Fund by an additional EUR 3.9 billion for 2020, for the already envisaged purposes of strengthening and extending the relative scope of operations. The "August" decree has then refinanced the fund with further EUR 7.8 billion (for the three-year period 2023-24-25).
- The "Recovery" decree has set up a fund for the support and relaunch of the Italian productive economic system, called the "SMEs Patrimony Fund" ("Patrimonio PMI") aimed at subscribing newly issued bonds or debt securities of SMEs.
- The "Cura Italia" decree included a moratorium, partly covered by government guarantees, on interest payments and capital reimbursement of debt of SMEs and

micro-firms, which the August decree extended until January 2021.

Other measures than fiscal providing liquidity support

- The “Relaunch” decree created two specific funds for the semi-direct government acquisition of private equities of up to EUR 48 billion (2.9% of GDP). These two funds will be managed by the national promotional bank (Cassa Depositi e Prestiti) and are meant to support recapitalisation of SMEs (Fondo patrimonio PMI with an allocation of EUR 4 billion) and larger listed firms operating in strategic sectors (Patrimonio destinato with an allocation of EUR 44 billion).
- The “Relaunch” decree allocated EUR 12 billion (0.7% of GDP) to the payment of trade debt arrears of local administrations, in order to avoid hampering firms’ liquidity in the current crisis.
- Moratorium on mortgage payments for the first residence and loans to individuals in financial distress, including self-employed workers

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- The decrees adopted in 2020 have an impact of EUR 11.5 billion in 2021 (excluding the EUR 19.8 billion related to the abrogation of the VAT safeguard clauses implemented with the Relaunch Decree), including:
 - o Around EUR 2 billion for measures related to healthcare, security, civil protection and education
 - o Around EUR 2 billion as transfers to regional and local governments, mostly for public investment
 - o Around EUR 1 billion for wage supplementation schemes
 - o Around EUR 2 billion for support to private investment and capitalisation
 - o Around EUR 2 billion in health support for firms for a gradual restart of activity
- The decrees adopted in 2020 have an impact of EUR 8.7 billion in 2022 (excluding the EUR 26.7 billion related to the abrogation of the VAT safeguard clauses implemented with the Relaunch Decree). Most of it is allocated to government consumption, particularly for regional and local governments.

Tax measures (distinguishing tax delays from other measures)

- Tax credit for building renovations (EUR 0.8 billion in 2021 and EUR 2.3 billion in 2022)

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MEASURES WITH IMPACT IN 2020

Expenditure measures

- Strengthening of the public health sector (buffer of up to EUR 100 million). 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 253.5 mn disbursed for the partial and full suspension schemes over the period 16/03-12/06/2020). The scheme provides wage compensation to the employees of

the businesses that were forced to suspend their operations by a decree of the Minister of Health and/or a decision of the Council of Ministers.

- Businesses their operations of which are directly related to the above mentioned businesses experiencing at least 80% loss of their turnover due to the Covid-19 pandemic are also eligible, or businesses with partial suspension of operations experiencing at least 25% decline in their turnover compared to the year before due to the Covid-19 pandemic.
- An important requirement is that businesses taking part in the scheme shouldn't have dismissed any employee as from 1/3/2020, for the period that the company is in the scheme and an additional period equal to the period the company benefits from the scheme plus 1 month.
- As of mid June, the partial suspension of business scheme is discontinued, replaced by 'Special Scheme for Hotel Units and Tourist Accommodation', and the 'Special Scheme to Support Businesses' related to the Tourism Industry or businesses directly affected by Tourism or associated with Businesses that are subject to Mandatory Total Suspension. The total expected budget costs of the income support schemes to affected workers amounts to about EUR 118 mn in total.
- Self-employed workers support Scheme 'part of the Special Plan for suspension of business' for the period March 16, 2020 to April 12 (EUR 33.5 mn over the period 16/03-12/06/2020 – the scheme is not extended). 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 (actual disbursements of EUR 18.1 mn over the period 16/03-12/06/2020 – the scheme is not extended beyond). 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 10.9 million for three months). This measure compensated individuals in quarantine and vulnerable workers.
- Overseas Student Allowance (EUR 30 million). A EUR 750 allowance is provided to cover the costs of students attending university overseas so they do not return to Cyprus during Easter.
- Subsidisation scheme for small enterprises and self-employed. EUR 100 million (0.5% of GDP) is provided in direct funding (one-off grants) to small and very small companies and the self-employed in order to cover part of their rent and operating costs.
- Tourism Support. Additional budget (EUR 5 million) 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.
- Special plan for the agriculture sector: Temporary suspension of fishing activities as a specific measure to mitigate the possibility of the spreading COVID-19 (€10 million)
- Special support allowance for the unemployed (EUR 5.3mn)
- Repatriation scheme (EUR 6 million)
 - Special schemes for the unemployed from the Human Resources Authority (EUR 14 mn).

Tax measures (distinguishing tax delays from other measures)

- Reduced special VAT rate from 9% to 5%, for tourist accommodations and restaurants as of July 1 and continuing to January 10, 2021. The estimated cost is EUR 15 mn.
- Tax credit for voluntary rent reduction. Income Tax Law amendment for the grant a tax credit equivalent to 50% of the reduction granted to the amount of rent (rent reduction between 30-50%). Valid for any three months in the tax period of 2020. Cost is estimated at EUR 23.5 mn in 2020.
- Suspension of the increased contributions to the NHS (cost of EUR 40 million). This measure delayed 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.
- Temporary suspension of VAT payments. All suspended obligations will be paid back with a delay, by 10th November 2020. This might eventually lead to revenue loss, however there is no official estimate for now.
- 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.
- Revenue loss from social security contributions stemming from wage subsidisation schemes are significant, estimated at EUR 92 mn in 2020

Measures related to public guarantees

- The government agreed to the following three lending schemes, in cooperation with the EIB, amounting to up to 1.7 billion lending (or about 8.5 % of GDP):
- increase by €500 million, or about 2.5% of GDP, of the existing credit line of loans to SMEs and mid-caps available under the so-called 'Cyprus Banks Loan for SMEs and Mid-Caps' Scheme, the instrument for Multi-Beneficiary Intermediated Lending (MBIL) of the European Investment Bank (EIB). The scheme was set up in 2014.
- Up to of EUR 800 million of loans to SMEs, (or about 4% of GDP) through an extended lending capacity of the *Cyprus Entrepreneurship Fund (CYPEF)*, a joint venture between the EIB (European investment Fund) and Cyprus which was already implemented since 2015.
- Participation in the Pan-European Guarantee Fund. Cyprus is expected to draw €300-€400 million for SMEs, or about 1.5-2% of GDP. All loans schemes will have clauses to protect jobs. Contributions to the Guarantee Fund will take the form of guarantees (unfunded obligation).

Other measures than fiscal providing liquidity support

- Liquidity measures to support airports and mitigate the impact of the COVID-19 pandemic at Larnaca and Paphos Airports (EUR 70 mn in 2020-2021, recorded below the line).

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- All major expenditure measures are expected to be withdrawn in 2021, with the exception of the likely extension of income support measures targeting the tourism industry (which is expected to be prolonged)

Tax measures (distinguishing tax delays from other measures)

- The tax credit for reduced rent is expected to last until 2023 (total cost of 0.1% of GDP)
- Interest subsidy scheme (with fiscal costs from 2021 until 2024) for new loans for businesses and the self-employed, as well as for household house purchases. According to preliminary estimates by the MoF, the subsidy cost would amount to EUR 180 million for businesses and another EUR 45 million for household's loans (house purchases) for a four-year period starting from 2021 until 2024.

Measures related to public guarantees

- All EIB schemes mentioned above will still be in place in 2021

Other measures than fiscal providing liquidity support

- (as mentioned above) Tourism Support. Additional budget of EUR 5 million 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.

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MEASURES WITH IMPACT IN 2020

Expenditure measures

- Healthcare: EUR 96.9million granted for purchases of protective gear, laboratory equipment, medical supplies, premium for medical personnel and for National Health Service. Individual protective equipment and disinfectants for state institutions and local governments.
- 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 downtime payment of EUR 180 per month and a supplement of EUR 50 a month for a dependent child. This assistance was effective until 30 June 2020. EUR 53.7 million have been paid in allowance by 6 September. Additional EUR 1.7 million have been paid out in downtime payments and EUR 1.6 million in supplements for dependent children.
- Sick leave payments from the 2nd day of leave are covered by state if related to COVID (in other cases first 10 days paid by companies as before) until 31 December 2020. EUR 1.6 million have been paid out by 20 September.
- Local social assistance compensated by state (50% of the crisis benefit paid but no more than EUR 40 per person per month and a EUR 50 supplement for a dependent child). EUR 0.3 million have been paid out by 20 September.
- Unemployment benefit coverage extended to self-employed and micro-enterprise owners until 31 December 2020. Cost estimated at EUR 1.4 million.
- A new flat-rate unemployment benefit payment (EUR 180 per month) extending the period of support for the unemployed for additional 4 months until 31 December 2020. Cost estimated at EUR 10.1 million.
- Entitlements to the parental benefit expiring during the state of emergency were extended for the duration of the state of emergency (ended on 9 June). Cost

incurred at EUR 0.7 million.

- The benefit paid to a custodian for supporting a child was increased by 50% during the emergency situation. Cost incurred amounts to EUR 0.3 million.
- The child care benefit for parents caring for 1.5 to 2 years old children was increased from EUR 42.69 up to EUR 171 during the emergency situation. Cost incurred - EUR 3.4 million.
- A one-off payment of EUR 150 was granted to parents caring for children with disabilities. Cost incurred at EUR 1.2 million.
- A new allowance for unemployed specialists with recently acquired higher education has been introduced. The allowance will be paid up to 4 months (EUR 500 in the first two months and EUR 375 in the last two months) until 31 December 2020. Cost estimated at EUR 6.6 million.
- Support for serving staff of religious unions (churches) of EUR 0.2 million.
- Premium for personnel of the Prison Administration Board of EUR 0.5 million.
- Support for public and commercial mass media of EUR 2.5 million.
- Support for affected agricultural, fisheries and food production sectors and school catering of EUR 45.5 million (includes EUR 10 million for existing support measures: EUR 5 million for the partial repayment of interest rates and EUR 5 million for the partial costs of insurance policies).
- Support for affected fisheries and aquaculture sectors with co-financing of the European Maritime and Fisheries Fund up to EUR 12 million, if production and sales is affected.
- Spending on road works increased by EUR 75 million.
- Established national research programme for research in the fields of health, engineering solutions, society and the economy EUR 5 million.
- Support for the cultural sector as aid to museums to cover losses. Cost estimated at EUR 10.6 million.
- A once-off grant for exporting companies amounting to 25% of their social contributions paid in 2019, but not exceeding EUR 800 000. Eligibility conditions: (i) export value in 2019 of at least EUR 1 million, (ii) decline in profits by 20% y-o-y in any month between April and June 2020; (iii) average monthly wage above EUR 800 in 2019; (iv) tax debts below EUR 1 000 (EUR 51 million).
- EU Funds (EUR 496 million) were reallocated between programmes and projects with a view of supporting the economic recovery. The money has been reallocated to the following programmes: strengthening the capacity of health care institutions (EUR 30 million), providing working capital and assets to companies (EUR 35 million), promoting international competitiveness (EUR 17.8 million), supporting employment and social services (EUR 63 million), reskilling measures, adult learning and competence-based learning in general education schools (EUR 25.7 million), and to promote investments in transport sector (EUR 174.7 million).
- Budget over-commitments of EUR 71 million have been assigned for implementation of EU Fund's programs in areas such as support to research and international cooperation in R&I, ICT training, energy efficiency in residential buildings, health infrastructure and better governance of higher educational institutions.
- Borrowing limit of local governments is increased by EUR 150 million for the implementation of EU projects in 2020.
- Support for SMEs for export and tourism under the International competitiveness program by LIAA (EUR 17.8 million).
- Grants for tour operators up to 30% of social contribution made in 2019 (a cap of EUR 800 000 for a group of linked companies). (EUR 19.2 million).

- National airline Air Baltic temporarily stopped most of its operations between March and August and dismissed 700 employees, but more flights have resumed since September 2020. In order to overcome the crisis, the Commission allowed the company to receive up to EUR 250 million in share capital and to retain the previous year's profit of EUR 36.1 million.
- State Stock Company Latvian Air Traffic received EUR 6 million from the government as increase of the equity capital, supporting the sector in the downturn.
- State Joint Stock Company "Rīga" airport will receive EUR 49.9 million in equity capital. Also the company can use its profit earned in 2019 to cover the losses caused by the COVID-19 crisis by not paying dividends (EUR 4.5 million) to the government in 2020. Both measures can be implemented after Commission decision.

Tax measures (distinguishing tax delays from other measures)

- Extension (deferral or division in instalments) of tax payments up to 3 years on request by the company (costs EUR 139.2 million in 2020). Application for extension of tax payments has to be filed by 30 December 2020.
- Self-employed personal income tax advance payments deferred for 2020 (costs EUR 35 million in 2020).
- Acceleration of excess input VAT refund procedure from 1 April (refunds within 30 days after submission of VAT return) (costs EUR 60 million in 2020).
- 50% of the vehicle operation tax payment for freight transport can be deferred for one year.
- No vehicle operation tax and company car tax shall be paid for the period when registration of a vehicle has been temporarily suspended.

Measures related to public guarantees

- Through the State development finance institution ALTUM, companies are provided with working capital loans, credit guarantees and portfolio guarantees (up to EUR 915 million). Provisions on this support amount to EUR 100 million.
- Loan guarantees for large enterprises by development finance institution ALTUM (provisional costs of EUR 40 million);

Other measures than fiscal providing liquidity support

- EIB stand-by loan arrangement for EU funds will be used for COVID-19 response (co-financing of EUR 400 million);
- Equity fund managed by the State development finance institution ALTUM is approved. The size of the fund is EUR 100 million of which EUR 50 million are public funds. The Fund will support well-governed, viable large companies that are temporarily affected by COVID-19 and ready to adjust their business models as a result of COVID-19. The Fund will invest in equity and quasi-equity capital and corporate bonds. Maximum investment is set at EUR 10 million for a single company.
- Farmers in need of additional current assets to lessen negative impact of COVID-19, are eligible to advance payment of the single area payment as a short-term interest-free loan.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

- *Expenditure measures*

- The economic recovery measures of EUR 671 million announced for 2020-2021. Includes investment support for businesses (EUR 223 million), research and education (EUR 63.5 million), health infrastructure and service provision (EUR 120 million); time-limited work subsidy for unemployed and unemployed students (EUR 20 million). The implementation will start in 2020 and will continue in 2021.

Tax measures (distinguishing tax delays from other measures)

- Accelerated refund of excess input VAT will be extended until the end of 2023 (proposed under the draft budget for 2021).

Measures related to public guarantees

- Application for the export support for agricultural product producers will be extended to 31 March 2021.

Other measures than fiscal providing liquidity support

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MEASURES WITH IMPACT IN 2020

Expenditure measures

- EUR 500 million allocated for acquisition of personal protection equipment, reagents, medical devices and to ensure the financing of additional health care costs, etc. Additional compensation and social benefits for medics and other staff exposed to and infected with the COVID-19 virus.
- Subsidies to employers to cover estimated wages for each employed person facing time without work. The employer could choose between subsidies to cover 70 % of the salary, up to a maximum of 1.5 times the minimum wage, or 90 % of the salary (100 % in the case of employees aged 60 and above), up to a maximum of the minimum wage.
- Subsidies are also paid for employees returning from time without work, for up to six months following their return to work. Subject to a cap of the minimum wage or two times the minimum wage, depending on the economic activity carried out by the employer, the amount of the subsidies paid in the first and second months following return can be as high as 100 % of an employee's salary, in the third and fourth months, 50 %, and in the fifth and sixth months, 30 %.
- benefits for the self-employed, including the self-employed engaged in agricultural activity with an agricultural holding or farm of no less than four economic size units, amounting to EUR 257 a month and paid during the quarantine period and the following two months.
- benefits for the self-employed engaged in agriculture with an agricultural holding or farm of less than four economic size units, who were not covered by the aforementioned measure. The measure consists of a one-time payment of EUR 200, for those small farmers who had no other employment, or of EUR 200, for each of the three months of the quarantine and period of state emergency if they were employed, in addition to their self-employed agricultural activity, and earned not more than the minimum wage.
- As a part of the post-quarantine package, the government also approved one-time payments of EUR 120 for children or EUR 200 for children with disabilities, from large families and low-income families and EUR 200 to recipients of old-age pensions, disability pensions and other social insurance pensions.

- Additional unemployment benefits (EUR 200 till the end of 2020).
- The government will pay subsidies (of up to EUR 18.8 thousand) for the establishment of workplaces in very small enterprises and regions with higher unemployment, and for the promotion of apprenticeship and vocational training.
- Training grants of 0.39 minimum monthly salary to 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.
- 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), as well as persons with chronic diseases who are affected by the virus mitigation measures taken by the government (62.02% of their gross salary). These benefits once again were approved in September due to increases in COVID-19 cases.
- The self-employed who decide to change their economic activity will receive one-off subsidy of around EUR 7 thousand.
- An apprenticeship contract will allow the employer to hire an employee, train him or her in practical and theoretical professional knowledge, and receive the reimbursement for 70% wage from the Employment Services, but not more than EUR 910.5 gross. In addition, the wage of the master craftsman appointed by the employer will also be partially reimbursed, but not more than 20% and not exceeding the minimum hourly wage rate.
- The government enabled full use of the Climate Change Programme (EUR 18 million), Road Maintenance and Development Program (EUR 142 million) and decided to accelerate the program for renovation of multi-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.
- The government, after receiving an approval from the European Commission, adopted several state aid schemes to help businesses cover immediate working capital needs.
- The government allocated additional EUR 250 million to speed up the implementation of some state investment projects.

Tax measures (distinguishing tax delays from other measures)

- 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;
- Income taxation for low and middle wage earners was reduced by increasing the maximum annual non-taxable amount of income for 2020 (from EUR 4200 to EUR 4800) (adopted on 23 June, 2020).
- Deferring or arranging the taxes in instalments according to agreed schedules 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 advance corporate income tax returns.
- Postponement of submission (and payment) of advance corporate income tax

returns.

- Recommendation to municipalities to allow postponing the payments as well as to exempt the taxpayers from taxes levied on business property and land.

Measures related to public guarantees

- The government increased the capacity of the state guarantee funds (Agricultural Credit Guarantee Fund and INVEGA) by EUR 500 million.
- The government decided to ensure additional state guarantees amounting up to EUR 500 million. The fourth NPI called State Investment Management Agency (VIVA) was established to provide those guarantees. It is expected to address financing challenges for large and medium enterprises that suffered from COVID - 19 crisis.

Other measures than fiscal providing liquidity support

- From 1 April, the Bank of Lithuania released the countercyclical capital buffer of EUR 86 million. The recommended Pillar II Guidance (P2G) requirement has temporarily been waived. Both measures will increase the lending potential of up to EUR 2 billion in loans to businesses and residents.
- Credit institutions have signed a moratorium which allows: private clients, without changing the terms and interest rates of their contract, to postpone their mortgage loan repayment for up to one year and leasing and consumer credit – up to half a year, and business companies to postpone loan payments for up to 6 months, without changing contract terms and interest rates (applies to business loans of up to EUR 5 million per group of companies). The moratorium was valid until 1 July 2020 and later has been extended until 30 September, 2020.
- On 21 of April the Parliament adopted the Law on the COVID-19 impact on insolvency of legal persons. This law basically restricts initiation of bankruptcy or restructuring proceedings till the end of 2020.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

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Tax measures (distinguishing tax delays from other measures)

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Measures related to public guarantees

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Other measures than fiscal providing liquidity support

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MEASURES WITH IMPACT IN 2020

Expenditure measures

Stabilisation package (figures as of 29 April):

- 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 remained 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 EUR 500 000 (estimated impact: EUR 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 EUR 5 000 (estimated impact: EUR 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 (EUR 5 000 for companies with less than 10 employee and EUR 12 500 for companies with 10-20 employees).
- Tax free lump-sum grant of EUR 2 500 to self-employed professionals (estimated impact EUR 27.5m). A complementary tax free grant between EUR 3 000 and EUR 4 000 was implemented with broader eligibility criteria (adopted after 29 April).
- A financial aid for professional journalists of EUR 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 EUR 34m).
- 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 EUR 222m).
- Financial aid of EUR 1000 euros for students facing acute financial problems (adopted after 29 April).
- Financial support measures for cultural professionals (estimated impact: EUR 2m).
- 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.
- 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: EUR 104m).

“Restart Luxembourg” package:

- A Recovery and Solidarity Fund worth EUR 200m will be set up for a period of 6 months (1 July to 31 December) to support companies and independent professionals in the hospitality, events and tourism sectors, fitness centres and similar activities. The Fund will provide lump-sum, tax-free grants to eligible companies worth EUR 1 250/month per working employee and EUR 250/month per employee in a short-time work scheme. To be eligible, companies must (i) have restarted their activity and (ii) have had a turnover loss of at least 25%. Companies may not dismiss more than 25% of their FTEs. Support is capped at EUR 10 000/month for companies with less than 10 employees; at EUR 50 000/month for companies with 10-49 employees; at EUR 100 000/month for companies with 50+ employees.
- Regressive grants for the in-store retail sector (except food stores) with less than 250 employees to help restart activities (EUR 1 000/employee in June, EUR 750/employee in July, EUR 500/employee in August – capped at a total of EUR 50 000/month).
- To create incentives for investment into projects of economic development,

- digitalisation or environmental protection, an investment support of up to 50% of eligible costs (capped at EUR 800 000) has been created.
- Doubling of the cost-of-living allowance (“allocation de vie chère”) for 2020.
 - As of 25 May, the scope of the special leave for family reasons was extended to parents of children who were required to stay at home due to organisational reasons under the education system’s exit strategy (cf. below).
 - New “congé pour soutien familial” to care for disabled and elderly people in need of care during the state of emergency.
 - The maximum duration of financial support for higher education studies has exceptionally been extended.
 - Several measures to promote a green recovery:
 - (i) 50% increase of subsidies granted for promoting sustainable energy renovation of buildings
 - (ii) 25% increase of subsidies granted for promoting heating systems based on renewable energy sources
 - (iii) 60% increase of subsidies granted for promoting the purchase of electric cars and vans (from EUR 5 000 to EUR 8 000)
 - (iv) doubling of subsidies granted for promoting the purchase of electric vehicles other than cars
 - (v) new subsidy programme for individuals to install electric charging stations
 - (vi) temporary compensation for the administrative burden related to programmes supporting energy efficiency in the private sector
 - (vii) enlargement of the scope of beneficiaries of aid for solar energy installations above 30kW
 - Extension of the aid scheme for SMEs in temporary financial difficulties due to exceptional and unpredictable events, providing repayable advances of up to EUR 500 000 for four more months until 15 September (cf. above).
 - Extension of the measure by which 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 until the end of the state of emergency (cf. above).
 - Extension of 100% coverage of sickness leave benefits until the end of the state of emergency.

Tax measures (up to EUR 4.5 billion to be deferred)

Stabilisation package (figures as of 29 April):

- Possibility for companies to 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 was extended to 30 June 2020.
- Outstanding VAT credits below EUR 10 000 have automatically been reimbursed during the week of 16 March. Penalties for the late submission of VAT and other declarations were waived (estimated impact: EUR 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 from 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.

“Restart Luxembourg” package:

- Tax relief for landlords who waive a share of the rent owed by tenants during 2020 to encourage rent reductions (capped at EUR 15 000).
- Suspension of the default interest on overdue social security contributions until 31 December 2020.

Measures related to public guarantees

Stabilisation package (figures as of 29 April):*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 EUR 700m.
- Relaxation of repayment terms for SNCI loans and credits.
New loan guarantee facility of EUR 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 EUR 200m 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 EUR 500m.

Other measures than fiscal providing liquidity support

Stabilisation package (figures as of 29 April):

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: EUR 989m).
- 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”.
- Automatic extension of unemployment benefits by the duration of the state of emergency (emergency impact: EUR 10 million).
- 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.

Sectorial

- 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.

“Restart Luxembourg” package:

Labour measures

- More targeted approach under the short-time work scheme:

(i) The industrial sector will remain eligible for the short-time work scheme for cyclical reasons, as it was prior to the COVID-19 crisis.

(ii) All companies affected by the sanitary crisis remain eligible for an accelerated procedure under the short-time for scheme for structural reasons until 31 December 2020. Different restrictions in terms of dismissals apply, depending on the sector.

To implement the weekly rotation education system in line with the staggered exit strategy (cf. below), additional recruitment of teachers and educators, and free after-school support is provided for.

Sectorial

- The “Restart **Tourism**” strategy was presented on 4 June 2020, consisting of:
 - (i) A voucher worth EUR 50 for one night of accommodation in Luxembourg for every citizen above 16 years and every cross-border worker.
 - (ii) A tourism fund of EUR 3m will be set up to support non-profit organisations and support the sector as a whole.
 - (iii) Acceleration of the sector’s digitalisation through the centralisation of data for marketing purposes.
 - (iv) Strengthening of investment in the sector to ensure sustainable development and present Luxembourg as a business events destination.
 - (v) A label certifying compliance with sanitary measures will be developed.
- Various financial support measures for the **cultural sector**, among which:
 - (i) A compensation for losses incurred due to cancelled events
 - (ii) An investment support for regional museums and cultural sites
 - (iii) Additional calls for projects through the Ministry
- Various financial support measures for the **sports sector**, among which:
 - (i) A direct aid for registered sport clubs (EUR 20 per licenced athlete)
 - (ii) A compensation for losses incurred due to cancelled events (capped at EUR 3 000)
 - (iii) A lump-sum grant for the acquisition of sports material (capped at EUR 5 000)
- To support the legal profession, increase by 10% of the hourly rates for legal assistance provided by the State.
- 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.
- Several measures to support the agriculture sector were adopted on 12 June:
 - (i) A lump-sum grant between EUR 2 500 and 5 000 for businesses affected by the COVID-19 crisis
 - (ii) Start-up aid for small farm-businesses that market local, seasonal and organic agricultural products
 - (iii) Support measures will be tailored to better address environmental challenges
- Several measures to support the audiovisual sector were adopted on 12 June.

- (i) A repayable advance up to EUR 250 000 based on the aid scheme for SMEs in temporary financial difficulties due to exceptional and unpredictable events (as introduced by the stabilisation package), with criteria adapted to the particular needs of the audiovisual sector.
 - (ii) A lump-sum grant of up to EUR 10 000 to provide further liquidity support and compensate for incurred losses.
 - (iii) Temporary waiver of the obligation to refund financial support granted prior to the COVID-19 crisis in case the project is not finalised
 - Parliament passed a law to extend the legal deadline for submitting the general account of the State.
- Regulatory*
- Non-commercial rents may not be raised until 31 December 2020.
 - 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.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

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Tax measures (distinguishing tax delays from other measures)

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Measures related to public guarantees

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Other measures than fiscal providing liquidity support

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MEASURES WITH IMPACT IN 2020

- On 4 April, the authorities announced the creation of two funds, for a total of HUF 2,000 billion (4.3% of GDP):
 - 1) an Economic Recovery Fund to restart the economy and support the job market, amounting to HUF 1,345 billion (2.9% of GDP). It will be financed from (reshuffling of) existing budgetary chapters: HUF 922 billion from the ministries, and HUF 423 billion from the employment fund. The Economic Recovery Fund will partly finance stimulus measures.
 - 2) an Epidemic Prevention Fund, amounting to HUF 663 billion (1.4% of GDP). It will be financed from: (i) budgetary reserves, (ii) extraordinary taxes of HUF 91 billion on taxes levied on multinational companies (HUF 36 billion) and the financial sector (HUF 55 billion), (iii) partial shift of car taxes for HUF 34 billion 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 billion (0.002% of GDP) to cover damages in tourism.
- The government until 10 September allocated and almost entirely spent HUF 604.4 billion (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) were prolonged until the end of the state of emergency (HUF 9.4 billion or 0.02% of GDP). The government announced a wage supplement of HUF 500,000 due in July for health care workers, which will cost the budget around HUF 101.3 billion (0.2% 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 billion. The foreign language study visits are postponed from 2020 to 2021.
- A wage subsidy scheme (*Kurzarbeit*) that covers 70% of the amount of net wages lost because of shortened shifts (HUF 100 billion or 0.2% of GDP).
- A wage subsidy of 40% of the wage for those who work in the R&D sector (HUF 23.5 billion or 0.05% of GDP).
- Companies from more than 30 industries have applied for support intended to enhance competitiveness. 806 companies participate in the programme, which undertook to implement an investment of HUF 377 billion. The number of jobs has been retained so far is 143 620.
- Companies could apply for job creating subsidy if they hired registered job seekers. The beneficiary employee could earn as much as HUF net 112,000 (HUF gross 200,000 including social contribution tax) through the programme for 6 months, then the company has to maintain the employment for another 3 months on its own expenses. Size of envelope: HUF 80 billion. Aid intensity: 100%.
- Nearly HUF 2,000 billion in preferential loans have been introduced and a state guarantee worth more than HUF 500 billion was added (Széchenyi Job Retention Loan, Eximbank's Compensation Loan Programme, MFB's Competitiveness Loan Programme, Agricultural Széchenyi Card, Garantiqa Crisis Guarantee Programme). The government restructured part of the funds of Széchenyi Capital Fund Manager, Hiventures and Eximbank to protect domestic companies. New funds have also been launched: the Restructuring Sub-Fund is helping strategy firms in difficulty, and the Transaction Sub-Fund is enabling corporate and real estate acquisitions at home and abroad.
- Effectiveness increasing programme for SMEs by initiating high-tech and green developments. The only condition of the subsidy is that the beneficiary company has to keep 90% of the headcount of its employees had back in April 2020. Size of envelope: HUF 50 billion. More than HUF 128.1 billion in support requests were received. On 11 June a decision was made to increase the budget by another HUF 50 billion. Aid intensity: 70%.
- The Hungarian Defence Forces launched a 6 months long reservist programme in order to mitigate unemployment rate.
- 8 week long basic online IT course for anyone who applied until 22 May (62,000 people overall). Aid intensity: 100%.
- 194,396 registered job-seekers have received monetary support so far, the various job support schemes have protected 486,436 jobs.
- New culture subsidisation package is announced worth HUF 5.1 billion in

consultation with the Hungarian Academy of Arts.

Tax measures (distinguishing tax delays from other measures)

- Sectors that were severely hit by the pandemic (e.g. tourism, restaurants, entertainment venues, sports, cultural services, transportation, agriculture, aviation industry) were exempted from paying social security contributions, payroll taxes and small business tax (kiva) and the social security contribution of employees was reduced to the legal minimum from 1 March until 30 June 2020.
- 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.) were exempted from paying taxes, for the months of March-June 2020. This involved more than 81,000 small enterprises.
- The tourism tax – a levy charged on accommodation providers based on the number of guest-nights – is temporarily cancelled until December 2020.
- The tourism development contribution – a levy payable on food, catering and accommodation services – is temporarily cancelled until December 2020.
- Employer's social security contribution tax rate was decreased by 2 percentage points from 17,5% to 15,5% from 1 July 2020.
- The development reserve of incorporated enterprises may be deducted with respect to the full extent (previously 50%) of the enterprise's pre-tax profit. The maximum value of the reserve is HUF 10 billion. The measure allows companies to receive even an entire corporate tax exemption on earnings to be reinvested in the future.
- The conditions of certain fringe benefits (Szép-card) became more favourable as the employers' social contribution tax is not be charged on the amount that is transferred to the card after 22 April until the end of 2020. Therefore, the tax burden is reduced from 32.5% to 15% in case of such benefits.
- The amount that might be given at the preferential rate has nearly doubled both in the public and the private sector.
- In 2020 the upper rate of bank levy in case of credit institutions had been raised to 0.39% to mitigate the negative budgetary effect of the coronavirus pandemic. This one-off revenue from the increased tax contributes to the Emergency Fund against coronavirus. This measure remains in force for 2020 only.
- To reduce the negative budgetary effect of the coronavirus pandemic, a new special tax was introduced in 1 May 2020, chargeable on the net turnover of retail companies with annual revenue over HUF 500 million. The revenue from this sectoral tax contributes to the Emergency Fund against coronavirus as well.
- The VAT rate on residential properties to be constructed in brownfield sites under 150 square meters of useful floor area had been reduced to 5% from 22 July 2020.
- Catering units are exempted from paying fee "for using public area" (sidewalk part) until 1 September 2020.
- Tax authority (NTCA) does not penalize companies from 1 July to 30 September 2020 if they fail to comply with the new reporting obligation due to the abolition of the HUF 100,000 threshold in B2B online invoice data reporting.
- 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.
- From the end of March, 2020, the tax authority did not charge any penalties in relation to tax debts during the state of emergency.
- Individuals and sole proprietors severely affected by the pandemic may apply for deferral of tax payment for up to 6 months, payment in instalments for up to 12 months or even a tax reduction of any taxes for 20% of the tax debt up to 5

million HUF. The tax reduction can be requested in respect of only one tax type and it cannot be combined with other payment allowances.

Measures related to public guarantees

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Other measures than fiscal providing liquidity support

- 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.
- Moratorium on repayment of loans taken up before the outbreak of the pandemic has been prolonged for another six months for individuals who are members of certain social groups (parents raising children, pensioners, unemployed, public workers) automatically and for enterprises if they request it from the bank. The moratorium must be applicable for enterprises whose income has decreased by more than 25%.
- For loans (both for households and businesses) taken up before the outbreak of the pandemic a ban on period of notice has been introduced for six month.
- The average annual interest rate on new consumer credit cannot exceed the central bank's base rate plus 5%.
- A moratorium on loan repayments of commercial banks for the Central Bank within the "Funding for Growth" Scheme has been also adopted.
- "Funding for Growth GO!" Scheme ("*NHP Hajrá!*") has been introduced for SMEs, providing funds of up to HUF 1,500 billion for the SME sector with favourable and predictable interest rates (capped at 2.5%) to maintain jobs and production capacities and to finance their investments (minimum loan amount is HUF 1 million; maximum loan amount available is HUF 20 billion).
- The Central Bank of Hungary increased the interest rate of the one week an O/N collateralized loans from 0.9% to 1.85%.
- The Central Bank of Hungary has introduced a corporate bond and security purchase programme with an envelope of HUF 450 billion (*Növekedési Kötvényprogram-NKP*).
- The Central Bank of Hungary introduced a Government Security Purchase Programme in the secondary market and relaunched its Mortgage Bond Purchase Programme, targeting securities with a maturity exceeding 3 years. No preliminary target volumes have been defined, but the first review will be made at HUF 1,000 billion for government securities and HUF 300 billion for mortgage bonds.
- 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.
- The Monetary Council cut the base rate twice by 15 bps to 0.60% in June and July. Interest rate remunerated on required reserves also dropped to 0.60%.
- One-week deposit rate - activated by the Central Bank in April 2020 with fixed interest rate - decreased accordingly from 0.9% to 0.60%, so it equals to the base rate. Its fixed interest rate is determined on weekly tenders.
- Large enterprise-loans have been added to the list of collaterals.
- Rental fees are frozen in the hardest hit sectors. Evictions and confiscations have been suspended.

- Renters can prolong the rental contract automatically by a unilateral statement in the case of dwellings owned by the Hungarian State or municipalities during the emergency period.
- Curfew-type restrictions are lifted: people now can visit e.g. playgrounds, baths, cinemas, libraries, hotels or catering units again (personnel has to wear mask and must provide circumstances for social distancing in the latter).
- Concerts can be organised for a crowd as many as 500 people.
- Weddings, funerals, other rituals of religious communities and related family events can be held outside Budapest.
- From Monday 15 June, family events after weddings and funerals can also be held in Budapest as well but the number of attendees cannot exceed 200, and social distancing must be observed here too.
- Catering units are exempted from paying fee “for using public area” (sidewalk part) until 1 September 2020.
- The government announced the termination of the state of danger, the travel restrictions applicable to health care and law enforcement workers as well as to government servants are lifted.
- Parking was free in every municipalities until 1 July.
- University buildings (except dormitories) could be visited again at the end of spring semester (if the rector of the particular institution decides to reopen).
- Kindergartens and schools have been reopened gradually nevertheless, digital working arrangements remained in the spring semester. Closed border policy has been reintroduced since 1 September.
- 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.
- 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.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- Families and pensioners 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 (distinguishing tax delays from other measures)

- Small business tax – a special cash-flow tax for small enterprises – rate will be reduced from 12% to 11% from 2021, benefitting about 50 thousand companies.

Measures related to public guarantees

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Other measures than fiscal providing liquidity support

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MEASURES WITH IMPACT IN 2020

The Maltese government has introduced measures to counter negative impacts of COVID-19 in several phases (14 March, 18 March, 24 March, and 8 June). The estimated fiscal impact of these measures is some 4.1% of GDP. The liquidity measures (i.e. guarantees and tax deferrals), with no immediate impact on the deficit, amount to some 4.5% of GDP.

Expenditure measures

- Teleworking grant: 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 15 February.
- Quarantine leave supplement: Businesses who have employees on mandatory quarantine shall receive a grant of EUR 350 per employee.
- Unemployment benefit: Individuals whose full-time employment has been terminated as of 9 March shall be entitled to a temporary benefit of up to EUR 800 a month.
- Parent benefit: 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.
- Disability benefit: 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.
- Medical benefit: Persons employed in the private sector, who after 27 March are not going to work because they are ordered by the Superintendent of Public Health not to leave their home, are not able to work from home and are not being paid by their employer during their absence from work, are eligible to a direct payment of EUR 166.15 per week in case of full-time employment or EUR 103.85 per week for part-time employment.
- Rent subsidy: 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.
- Wage Supplement March – June 2020:
 - 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 1,200. 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.

- Wage Supplement July – September 2020: The wage supplement referred to above was broadened to cover pensioners and full-time students who are also in employment and was extended until the end of September 2020 with the following changes:

For businesses dependent on tourism (such as tourist accommodation, travel agencies, English learning schools, event organisers and air transport) the wage supplement will remain the same until the end of September i.e. EUR 800 per month for full-time employees and EUR 500 per month for part-time employees;

Businesses dependent on local demand such as personal services will be moved from Annex A to Annex B and will thus see their wage supplement generally fall to EUR 160 per month per full-time employee and EUR 100 per month in case of part-timers (certain additional supplements may apply for individual employers and/or Gozo-based businesses), as from July 2020.

For all other businesses in Annex A not mentioned above, the wage supplement will fall to EUR 600 per month for full-time employees and EUR 375 per month for part-time employees, as from July 2020;

- Healthcare spending: Financial assistance towards the healthcare spending to combat COVID-19 is estimated to reach some EUR 130 million.
- Interest rate subsidy: Government will be financing up to 2.5% of the interest rates on bank loans taken out by businesses hit by the COVID-19 pandemic. The measure is envisaged to last two years with annual costs of EUR 20 million.
- Rent subsidy for businesses: Businesses eligible for the wage supplement can apply for a one-time grant of up to EUR 2,500.
- Utility subsidy for businesses: Certain businesses can apply for a refund of 50% of their electricity bills for the months of July, August and September, capped at EUR 1,500.
- EUR 100 Vouchers: Citizens older than 16 years will receive a EUR 100 vouchers, expiring by the end of September 2020, to be spent locally to the extent of 80% on accommodation, restaurant and bar services and 20% in outlets that have reopened following a period of forced closure.
- Additional investment: The government promised to invest EUR 400 million over 4 years in industrial infrastructure. The first expected year of investment is 2021.
- Modernising construction sector: Construction enterprises which undertake investment to modernize equipment which is environmentally friendly may benefit from a grant of up to EUR 200,000.
- Promotion assistance: EUR 5 million investment in a new platform for local businesses to help them promote their products.
- Several other measures with a lower impact on public finances (e.g. assistance for postponed wedding ceremonies, improvement of In-Work Benefits / €250 supplement to those receiving In-Work Benefits, assistance to voluntary organisations, assistance to homes for the elderly, Microinvest conversion of credits to cash grants, reimbursement of commercial licences, assistance in the compilation of business plans, Skills Development Scheme – training of employees, 33% refund of port charges, 10% refund of container discharge fees,

assistance to businesses carrying out digital promotion and international events)

Tax measures (distinguishing tax delays from other measures)

- 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 200 million (1.6% of GDP).
- Speed up of payments (e.g. VAT refunds) to private industry to sustain the financial liquidity of employers and self-employed.
- Fuel price cut: Fuel prices reduction by 7 cents per litre with a negative impact on government revenue (cost estimated at EUR 7 million).
- Real estate measures: Income tax on the sale of property will be reduced from 8% to 5% (total impact of EUR 23 million) and stamp duty will be levied at 1.5% instead of 5% (total impact of 32 million) for the first EUR 400 000 on contracts published by the end of March 2021.

Measures related to public guarantees

- COVID-19 guarantee: The government allocated EUR 350 million (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.
- Export Guarantee Scheme: Local businesses that export their products to new markets such as the African continent, Middle East, and Latin America will benefit from an export credit guarantee scheme administered by Malta Enterprise and the Malta Development Bank. €10 million has been allocated to this scheme.

Other measures than fiscal providing liquidity support

- Debt repayment moratorium: 6-month moratorium can be requested from banks in relation to both personal and business loans
- Bond underwriting facility: Through the Malta Development Bank, Government will act as underwriter for bonds issued by private companies which are due for roll over.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- Wage supplement: In September, the PM announced that this scheme would be extended beyond October 2020 and possibly broadened to cover more companies. The scheme would be included in the 2021 budget. No further details are however known.
- Interest rate subsidy: Government will be financing up to 2.5% of the interest rates on bank loans taken out by businesses hit by the COVID-19 pandemic. The measures is envisaged to last two years with annual costs of EUR 20 million.

Tax measures (distinguishing tax delays from other measures)

- Deferral of taxes: Eligible taxes are to be settled by 31 May 2021.
- Real estate measures: Income tax on the sale of property and stamp duty are reduced on contracts published by the end of March 2021.

Measures related to public guarantees

- COVID-19 guarantee: The scheme covers new loans extended by commercial banks with a general loan term of 48 months (extendable to 72 months).

NL



MEASURES WITH IMPACT IN 2020

The authorities have implemented a comprehensive package of emergency measures to address the socio-economic consequences of the crisis. Including the announced extension of support measures beyond the previous October deadline, the expected impact on government expenditure this year now amounts to around EUR 31 bn (ca. 4% of GDP). The main measures with an impact in 2020 are outlined below, but the list is not exhaustive as the authorities have also implemented a wide range of support measures across sectors with a more limited budgetary impact. The main focus areas of the measures 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 including compensation for fixed costs in affected sectors; and (vi) up- and reskilling measures of employees in affected sectors and support measures for education.

Expenditure measures

- Temporary emergency bridging measures for sustained employment (*Tijdelijke Noodmaatregel Overbrugging voor Werkbehoud – ‘NOW’*). Companies facing at least 20% turnover loss over 3 months get support of up to 90% of their wage bill. This measure has been extended until July 2021, with increasingly tighter conditionality (i.e. higher turnover loss threshold) and less lenient compensation (i.e. lower compensation rate) every 3 months. Moreover, a percentage will have to be allocated to reskilling efforts. Other conditionality entails for the employer that there can be no bonuses, no dividend payments or share buybacks. Moreover, firms get a higher compensation for employers' social benefit payments. The estimated costs total EUR 14.7 bn (1.9% GDP) for 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 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.
- Temporary income support is also provided for self-employed and independent contractors (*Tijdelijke Overbruggingsregeling Zelfstandig Ondernemers – ‘TOZO’*). 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, with added conditionality that for the prolongation period there will be an income and wealth screening. 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 measure has been extended until July 2021. The estimated cost for 2020 is EUR 3.1 billion (0.4% GDP), with the loan component that does not impact the budget estimated at EUR 0.4 bn (0.1% GDP).
- A temporary support system for flex workers was also implemented with retroactive support for the period March – May (*Tijdelijke Overbruggingsregeling voor Flexibele Arbeidskrachten – TOFA*). The support is geared to employees on flex contracts that were not eligible for welfare or previously implemented corona related temporary income support measures. Flex workers were eligible to a

compensation of EUR 550 a month if their earnings in February exceeded EUR 400 and their April earnings were below EUR 550. Estimated cost is EUR 21 mln (0.0% GDP).

- 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'*). Estimated cost of TOGS in 2020 is EUR 895 mln (0.1% GDP). The TOGS measure has since been succeeded by the *'Tegemoetkoming Vaste Lasten MKB (TVL)*, which offered a maximum allowance of EUR 50 000 to cover fixed costs for the four months until October 2020 and another 90k to cover fixed costs for every 3 months in the 9 month extension until July 2021. The measure is available for the same sectors as under the TOGS measure, and firms can apply for compensation if the turnover loss exceeds 30%. The allowance depends on the size of the company, the fixed costs and the degree of turnover loss. The measure has been extended until July 2021. Estimated budgetary impact of TVL in 2020 is EUR 1.4 bn (0.2% GDP).
- Public transport providers are eligible for up to 93% compensation so that they are able to operate at full capacity despite subdued demand and social distancing and hygiene measures applying in public transport, with estimated budgetary impact of EUR 1.3 billion (0.2% GDP).
- Various additional COVID-related health costs amount to a total of EUR 4.8 bn (0.6% GDP) in 2020. Amongst others, this concerns: (i) purchasing and distributing related medical equipment; (ii) costs for 'GGD's' and so called 'veiligheidsregio's' responsible for testing, tracing and local policies to curb the spread of COVID; (iii) expanded IC-capacity; (iv) expanding testing capacity; (v) an incidental bonus for health care personel; (vi) additional long-term care costs associated with COVID recoveries; and (vii) costs associated with vaccine development efforts.
- Up- and reskilling efforts in response to the COVID-crisis to support the economic recovery and facilitate work-to-work transitions is done through the 'NL continues to learn' initiative. This initiative, which has an estimated budgetary impact of EUR 27 mln (0.0% GDP) in 2020, has the objective of supporting employees who have lost their job or are at risk of losing their job as a result of the COVID-crisis in their transition to other forms of employment. In addition to employees in affected sectors, the initiative also includes flex-workers and the self-employed. Moreover, an additional EUR 9 mln is available in 2020 to address youth unemployment, and an additional EUR 54 mln is available in 2020 for work-to-work schemes at the level of municipalities. Finally, an additional EUR 23 mln is available in 2020 for impoverished highly indebted households.
- EUR 822 mln (0.1% GDP) has been reserved to support local public services (o.a. health care, local cultural activities, elections, surveillance, etc.)
- EUR 75 mln (0.0% GDP) in 2020 for equity provision to regional development banks.
- Various support measures have also been implemented for the effective continuation of- and support to primary, secondary and tertiary education, with total budgetary effect of EUR 0.3 bn (0.0% GDP) in 2020.
- The cultural sector will receive additional financial support of EUR 300 million (0.0% GDP), on top of the existing subsidies. The aim is to support employment in this sector and enable the sector to invest in the next cultural season.
- EUR 24 for support of local and regional media to cover revenue losses due to a drop in advertising. The support varies between EUR 6,000 and EUR 33,000 per company. EUR 19 mln for programming costs on public TV networks.

- A total of EUR 86 mln (0.0% GDP) for COVID-related additional construction expenditure in 2020, of which EUR 70 mln related to a construction investment impulse.
- EUR 300 mln in turnover support measure for specific parts of the horticultural sector (*sierteelt, voedingstuinbouw en fritestelers*).
- EUR 363 mln (0.0% GDP) of costs associated with compensation for child-care related costs is also provided.
- EUR 10 mln (0.0% GDP) in 2020 for compensation of ferry services, clean drinking water provision and telecom and network maintenance in the caribbean part of the Kingdom of the Netherlands.
- Various budget reservations for smaller support and compensatory measures related to COVID for 2020 total EUR 0.3 bn (0.0% GDP). Amongst others, these reservations relate to the creation of a solvency fund, emergency supplies for protective gear against COVID in health care, and compensation for zoo's.
- Various guarantees also have a budgetary impact due to expected losses. The total budgetary impact for the COVID-related guarantee increases (BMKB and BMKB-L, GO, Qredits, EIB, Supplier Credit Reinsurance Guarantee, KKC) for 2020 entails EUR 1.3 bn (0.2% GDP).

Tax measures (distinguishing tax delays from other measures)

The budgetary impact of COVID-related revenue measures in 2020 totals EUR 4.2 bn (0.6% GDP). Moreover, tax deferrals were allowed, although these do not impact the budget deficit but rather affect the debt level.

- EUR 31 bn (37.2% GDP) of tax deferrals were asked and approved until September 2020 to prevent short-term liquidity issues to morph into insolvency. 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. About EUR 4 bn of the tax deferrals will still be paid in 2020. The rest is delayed until 2021 and 2022, with an expected loss of taxes of EUR 1 to 3 bn due to bankruptcies.
- A EUR 3 bn provision for offsetting losses in 2020 through carry-back. Carry-back allows for an improvement of firms's liquidity by deducting losses this year as a result of COVID from last year's profit tax.
- Holders of substantial stakes in a business who also work there, are allowed to lower their wages proportional to the lower turnover, lowering the income tax they pay on an appropriate remuneration for work (the so-called customary wage). Estimated cost EUR 1 bn (1.2% GDP).
- Moreover, measures were introduced to limit the administrative and financial burden for companies. These include not collecting fines on late payments (EUR 174 mln), and the temporary lowering of interest rates on collectable taxes to 0.01% (EUR 212 mln). Furthermore, a VAT exemption is granted to specific companies producing medical equipment or seconding staff to medical services (EUR 130 mln), and troubled households are able to get a moratorium on mortgage payments (EUR 50 mln).

Measures related to public guarantees

In response to the COVID-crisis, various existing guarantee schemes have been expanded while some new guarantee schemes and loans have been set up or granted as well. Generally, these do not have a (direct) budgetary impact. However, a general overview of expected losses for COVID-related guarantee (increases) are listed under expenditure measures. Below an overview of COVID-related guarantees relevant for 2020, which total EUR 33 bn (4.3% GDP) in 2020. This does not include guarantees

related to European COVID response initiatives (NGEU, SURE, EIB).

- '*Garantie Ondernemersfinanciering-regeling*' GO and GO – Corona Module, the GO guarantee is available for SMEs and larger companies and its guarantee ceiling has been increased to EUR 9.6 bn (1.3% GDP).
- The Supplier Credit Reinsurance Guarantee (*Garantie Herverzekeren van Leverancierskrediet*) has a guarantee ceiling of EUR 12 billion (1.6% GDP), and aims to prevent the short-term turnover market from stalling because suppliers are no longer willing to supply credit.
- A EUR 2.2 bn (0.3% GDP) guarantee was granted for commercial bank loans to KLM.
- 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 EUR 0.8 bn (0.1% GDP).
- '*Borgstellingskrediet midden- en kleinbedrijf*' (BMKB) with a guarantee ceiling of EUR 1.5 billion (0.2% GDP). SMEs can benefit from an extension of the guarantee to obtain a loan, and the interest rate on these loans has been lowered to 2% (previously 3.9%). SMEs can apply for a guarantee to refinance short-term loans if necessary. 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'*).
- Invest-NL is providing EUR 100 million into a temporary credit programme for innovative start- and scale-ups (*Tijdelijke Overbruggingskrediet Programma Innovatieve Start- en Scale-ups – 'TOPSS'*).

Other measures than fiscal providing liquidity support

- Various loans have also been provided to a total amount of EUR 2.1 bn (0.3% GDP) in 2020. In summary, these include: (i) liquidity support for Aruba, Curacao and Sint-Maarten (EUR 0.4 bn); (ii) bridge loans for start-ups and scale-ups (EUR 0.3 bn); (iii) regional development funds (EUR 300 mln); (iv) loan support to IHC (EUR 40 mln); (v) a loan to KLM (EUR 1 bn); (vi) a loan to Waddenveren (EUR 4 mln.); and (vii) the loan component of the TOZO facility (EUR 421 mln).

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Many covid-related support measures are in place until July 2021. The expected impact on government expenditure for 2021 now amounts to around EUR 12 bn (ca. 1.7% of GDP). Another EUR 1.3bn is foreseen for the period 2022-2025. The main measures with an impact in 2021 are outlined below and are largely a continuation of existing measures that have had a budgetary impact on 2020. For full description of the continued measures, please see above.

Expenditure measures

- Temporary emergency bridging measures for sustained employment (*Tijdelijke Noodmaatregel Overbrugging voor Werkbehoud – 'NOW'*). The estimated costs total EUR 5 bn (0.7% GDP) for 2021 (another EUR 241 mln is foreseen for 2022).
- Temporary income support is also provided for self-employed and independent contractors (*Tijdelijke Overbruggingsregeling Zelfstandig Ondernemers – 'TOZO'*). The estimated cost for 2021 is EUR 339 mln (0.0% GDP), with the loan component that does not impact the budget estimated at EUR 21 mln (0.0% GDP).
- The '*Tegemoetkoming Vaste Lasten MKB* (TVL). Estimated budgetary impact of TVL in 2021 is EUR 1.4 bn (0.2% GDP).

- Various guarantees also have a budgetary impact due to expected losses. The total budgetary impact for the COVID-related guarantee increases (BMKB and BMKB-L, GO, Qredits, Supplier Credit Reinsurance Guarantee, KKC) for 2021 entails EUR 0.5 bn (0.1% GDP) (and another EUR 0.6 bn for the period 2022-2025).
- EUR 14 mln (0.0% GDP) in 2021 for compensation of ferry services, clean drinking water provision and telecom and network maintenance in the Caribbean part of the Kingdom of the Netherlands.
- Various additional COVID-related cost compensations for local administration (municipalities) amount to a total of EUR 0.2 bn (0.0% GDP) in 2021.
- Various additional COVID-related health costs amount to a total of EUR 1.9 bn (0.3% GDP) in 2021.
- Up- and reskilling efforts in response to the COVID-crisis to support the economic recovery and facilitate work-to-work transitions is done through the 'NL continues to learn' initiative, as well as through work-to-work schemes ('*omscholing naar tekortsectoren*' and '*schooling and life-long-learning initiatives*'). These initiatives have a combined budgetary impact of EUR 231 mln (0.0% GDP) in 2021.
- Moreover, an additional EUR 421 mln is available in 2021 to address youth unemployment and work-to-work schemes (and another EUR 458 mln over the period 2022-2024).
- Various support measures have also been implemented for the effective continuation of- and support to primary- secondary and tertiary education, with total budgetary effect of EUR 0.2 bn (0.0% GDP) in 2021.
- EUR 75 mln (0.0% GDP) in 2021 for equity provision to regional development banks
- A total of EUR 22 mln (0.0% GDP) for COVID-related additional construction expenditure in 2020, of which EUR 15 mln related to a greening of housing.
- Various budget reservations have been made for smaller support and compensatory measures related to COVID to a total of EUR 1.7 bn (0.2% GDP) in 2021. In summary, these main budget reservations relate to the creation of a solvency support fund (EUR 250 mln), accelerated phasing out of mink farms including compensation costs (EUR 133 mln), additional compensation for public transport availability (EUR 740 mln), the cultural sector (EUR 440 mln), a relief fund for highly indebted households (EUR 30 mln), compensation for energy costs (EUR 25 mln), regional performing arts (EUR 15 mln). Flanking policy related to youth unemployment (EUR 52 mln).

Tax measures (distinguishing tax delays from other measures)

Most of the tax measures had a budgetary impact in 2020 only. However, several measures to limit the administrative and financial burden for companies also hold in 2021-2025. These include not collecting fines on late payments, and the temporary lowering of interest rates on collectable taxes mln). Their budgetary impact is estimated at EUR 354 mln in 2021 and another EUR 220 mln in 2022-2025.

AT



MEASURES WITH IMPACT IN 2020

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 initially EUR 38 billion (10 % of GDP) has gradually been implemented and operationalized. Furthermore, the government has mobilized additional help and signalled to expand it where needed. On 16 June, the package was increased to EUR 50 billion (13 % of GDP), including stimulus measures.

Expenditure measures

- EUR 15 billion **Corona aid-fund** (Corona Hilfs-Fonds): This instrument will provide on the one hand state guaranteed loans and on the other hand grants for compensation for certain fixed costs for enterprises and industries that were hit hard by the crisis in accordance with the temporary State-Aid framework.
- The compensation scheme covers up to 75% of the fixed costs. The covered share is depending on the revenue losses compared to the last years. The scheme was initially for 3 months, and will be extended by 6 months and the eligibility will start already at 20 % loss of turnover instead of 40 %.
In order to ensure liquidity, the State is guaranteeing up to 100 % for specific loans.
- 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. For the purpose of providing the necessary guarantees for loans, and for an unbureaucratic and fast process, the Austrian government has established the new Covid-19 Finanzierungsagentur des Bundes GmbH (COFAG).
- EUR 700 million for a **relief fund for associations in sport and culture**: The aim of this fund is to cover short-term costs and to support a restart for NPOs in autumn. Large companies under the supervision of the Court of Auditors are excluded.
- EUR 90 million **Fund for bridging finance for self-employed artists**
- EUR 25 million **package for the Austrian film industry**: Coverage of costs in the event of actual damage (retrospectively applicable from 16 March and limited until the end of 2021)
- One-off payment for the unemployed and families. Unemployed persons receive EUR 450 and families receive EUR 360 per child, being paid out in September 2020.
- EUR 12 billion 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, plus a so-called comeback bonus of additional EUR 500, for up to six months. Applications for Phase 2 started on 20 April and are possible until the end of 2020.
 - o EUR 100 million 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 million **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 million have been mobilized to guarantee the supply of necessary **medical equipment**.
 - o EUR X billion **short-time work scheme**: The strain on the working population is enormous. 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 (distinguishing tax delays from other measures)

- EUR 10 billion for **tax deferrals**: A number of tax deferrals for VAT, corporate and income taxes have been made possible until January 15, 2021. Furthermore, firms affected can claim a deferral of SSC for the months of February to April.
- EUR 2 billion for offsetting losses: Corporates will have the possibility to offset losses suffered this year against the profits from 2019 and 2018 for tax purposes.
- EUR 600 million for the introduction of degressive depreciation rates on equipment for corporates.
- Measures to increase equity of SMEs
- EUR 500 million for an "**gastronomy**" **package**: A series of specific tax relief measures aimed at the gastronomy sector see a temporary reduction in VAT from 20% to 10% on non-alcoholic beverages worth approx. EUR 200 million by the end of 2020, expansion of the calculation of the flat-rate profit, increase of the flat-rate deductions for inns in small villages, increase of the limit for the tax-free status of meal vouchers, increase of the tax-deductibility of business meals and abolition of the champagne tax with July 1st. This package is included in the EUR 38 billion.
- EUR 900 million for VAT reductions: The government announced to introduce a further VAT reduction from 10% to 5% for the gastronomy sector, the cultural sector and the publishing sector beginning on July 1st until December 31st. (Subject to approval by the Commission.)
- The VAT rate for repair services will be reduced from 20 % to 13 %.
- EUR 1.8 billion: Reduction of the initial income tax rate from 25 to 20 percent and an additional negative tax for persons with an income below the entry rate, to foster consumption of low income earners and reducing the tax burden. This measure will take effect retroactively from 1 January.
- Implementation of an allowance for corporate equity to foster private equity.
- EUR 500 million for agriculture and forestry, partly affecting the revenue side: A series of specific tax relief measures aimed at the agricultural sector see a reduction of SSC, raising the flat rate obligation, removal of the solidarity tax for farmers' pensions and an increase of pension payments. In addition, government will invest into the forestry sector as well as in research to reduce the use of fossil fuels in this sector.

Measures related to public guarantees

- Guarantees and emergency loans (Garantien und Haftungen) without direct impact on deficit: EUR 7 bn

Other measures than fiscal providing liquidity support

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MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- **Corona aid-fund** (Corona Hilfs-Fonds) (see above)
- Short-time work scheme extended until 31 March 2021 (see above)
- EUR 1 billion **investment premium**: The government will provide a basic premium of 7% for companies to promote investment. On top of that additional 7% are granted for investment in health, environment and digitalisation.
- **Investment in climate protection**: additional funds will be invested in thermal renovation (private and public buildings), renewable energies, climate protection and future technologies, public transport.
- For the purpose of providing affordable housing the Wohnbauinvestitionsbank (WBIB) is intended to support the construction of around 25,000 homes.

Tax measures (distinguishing tax delays from other measures)

-

Measures related to public guarantees

-

Other measures than fiscal providing liquidity support

-

PL



MEASURES WITH IMPACT IN 2020

Expenditure measures

- Reduction in social security contributions for firms employing up to 50 people and self-employed. The reduction applies to the period March – May 2020. Those employing up to 10 people and – in most cases – self-employed can benefit from a full reduction, while for the entities employing 10 – 50 people the reduction amounts to 50%. Bigger companies are not eligible. For the self-employed, there is also a cap on the income, excluding the high-income earners from the scheme. To be eligible, the beneficiaries cannot have arrears in social security payments and must explicitly apply for this support.
- Economic downtime benefit for self-employed and those working on non-standard (civil law) contracts. A lump sum benefit for self-employed (50% or 80% of the minimum wage) and those working on non-standard labour contracts (up to 80% of the minimum wage) to compensate them for a drop in revenue. Initially introduced for April, then extended until June. To be eligible, the beneficiaries need to record a drop of at least 15% in revenue on a monthly basis due to the pandemic. There is no need to keep the activity running (it may be suspended due to the pandemic).
- Subsidies to salaries and social contributions for companies applying or not STW or furlough. Entities, independently of their size, can ask for co-financing of their costs of salaries and social security contributions for a period of 3 months maximum. The companies must record a drop in their revenue. Several separate instruments regulated by different legal provisions are concerned. In some cases, firms must reduce working time to get subsidies. In other cases, firms are not allowed to participate in the STW to benefit from subsidies (to avoid double

- financing); however, they can but do not need to reduce working time.
- Subsidies to self-employed not hiring employees. Co-financing of a part of costs of running a business by natural persons not hiring employees. Granted for maximum 3 months. The amount depends on the decrease in turnover and amounts to 50% - 90% of the minimum salary. The entrepreneur is required to maintain operations during the period for which the funding is granted.
 - A package of loans to firms that can amount up to PLN 100 bln (4.5% 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). Operational and technical details of those measures differ depending on the firms' size (micro – up to 9, SME – 10-250 and large – over 250 employees). 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 National Bank of Poland.
 - Loans to micro-companies / self-employed and NGOs of up to PLN 5,000 (EUR 1,100). The loans may be converted into grants if the company continues operations for 3 months after the loan is paid.
 - New social benefits. A benefit for parents who needed to stay home to take care of small children (when schools were closed), benefits for persons taking care of disabled person, or dependent adult family member. Also, a “solidarity benefit” – a lump-sum payment of PLN 1400 (some EUR 310) to those who lost their job during the pandemic. The benefit paid in June, July and August 2020. Those who qualified for an unemployment benefit (that is lower than the solidarity benefit) got a top-up to PLN 1400.
 - Holiday voucher. Amounting to PLN 500 (some EUR 110) per child, to be redeemed until March 2021. The initiative of the estimated cost up to 0.2% of GDP aims at supporting the local tourism economy. It is estimated that nearly 6 million children could benefit from it.
 - Increase of the unemployment benefit. Effective as from September 2020. The unemployment benefit increased to PLN 1200 (around EUR 270) for the first 90 days, and then it will amount to PLN 950 (some EUR 210).
 - Subsidies to interest on bank loans granted under contracts concluded by 31 December 2020 to business entities whose financial liquidity deteriorated following the negative economic consequences of the pandemic. The subsidies will apply to revolving and non-revolving working capital loans granted in PLN.
 - Increased spending on healthcare, both current expenditure and, to some extent, investment.

Tax measures (distinguishing tax delays from other measures)

- A possibility to amend under certain conditions the 2019 CIT statements by lowering the 2019 income by the loss generated in 2020.
- Inclusion in the tax-deductible costs of expenses related to cancellations of trips.
-
- Postponement of the date of entry into force of the new tax obligations (for instance as regards new requirement on the standard audit file or the rollout of the new VAT matrix).
- Temporary postponement of payment deadlines of VAT.
- Extension of deadlines for 2019 PIT and CIT settlements.
- Social security contributions deferrals, redemptions or stage payments.
- Postponement the application of the retail tax to 2021.

Measures related to public guarantees

- Guarantees of the development bank (Bank Gospodarstwa Krajowego – BGK). A scheme of guarantees for medium and large companies affected by the pandemic worth in total PLN 100 billion (4.5% of GDP). A guarantee for a single company can amount up to PLN 200 million, for loans up to PLN 250 million (80%). The intended purpose of the loan is to ensure the company's financial liquidity. Guarantees can be used by firms that did not have financial problems at the end of 2019 and did not have overdue social security or tax liabilities as of February 2020.

Other measures than fiscal providing liquidity support

- The interest rates were lowered to a historical low, with the reference rate lowered by 140 basis points to the historically low of 0.1%. The National Bank of Poland (NBP) purchases government securities and government-guaranteed debt securities on the secondary market as part of the open market operations. These amounted to over PLN 100 billion in September (4.5% of GDP). Deferring of the rollout of the pension savings scheme “Pracownicze Plany Kapitałowe” for medium companies.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- The operations of the Polish Development Fund regarding loans to companies (see the entry for 2020) are expected to continue to some extent. The exact scale and fiscal impact depend on the 2020 rollout.

Other measures than fiscal providing liquidity support

- The National Bank of Poland is expected to continue to purchase government securities and government-guaranteed debt securities on the secondary market as part of the open market operations. The timing and scale of the operations will be not known.

PT



MEASURES WITH IMPACT IN 2020

Expenditure measures

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 composition of medical boards to assess needs of people w/ disabilities.
- National Contingency and Response Plan for Disease by the new Coronavirus (field hospitals, reinforced support line SNS24, public awareness campaign).
- Reinforced contact centre for deaf people through an extension on video of the SNS24 line, 21/4.
- Extensive testing implemented across the country (5th country in EU in tests per million inhabitants, with average of 12.6k tests per day), and proactive tracing of potential positives. Specific programme for nursing homes testing, since 30/3.

Two new diagnostic centres, 30/3.

- Immunity testing plan involving 17 hospitals nationwide by the National Health Institute, 13/5.
- 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.
- Broad set of Health Authority guidelines, since 25/1, including for the restart of economic activity.
- Guidelines for nutritional therapy of COVID-19 infected, as an integrated part of the therapy, 6/4.
- 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.
- Simplified system of industrial licensing, of an exceptional and temporary nature, applicable to changes in industrial establishments, for the manufacture of medical devices, personal protective equipment, ethyl alcohol and disinfectant biocidal products, 15/7.
- Exceptional regime of incentives, under the Economic and Social Stabilisation Programme (PEES), with the aim of recover medical assistance not provide during the outbreak, 14/7.
- 14-day prophylactic isolation status made equivalent to illness for purpose of social protection (benefit 100% of remuneration, no waiting period). Including for self-employed.
- Justified absences scheme for family support, related to impact of COVID-19.
- Financial support, for workers who need to stay home to take care of children up to 12 yo not able to go to school, worth 2/3 of the 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 gross wages (30% employer, 70% Social Security), up to max 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 Health Authority (first-month wages supported, up to limit of one min wage per worker).
- Special support to self-employed (affected activity) and deferral of social contributions.
- Extraordinary support for vocational training (50% of worker's remuneration up to min wage, including training costs), for non-employed in productive activities for a considerable period.
- 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.
- Temperature control allowed in workplace (safeguarding data protection), 1/5 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, 30/4.
- National reserve of protective equipment for medical emergency workers and fire brigades.
- Reinforced surveillance system against wildfires (National Contingency Plan to COVID-19), 12/5.
- Coordinated response to tackle needs of Roma population with Migrations Authority (ACM).
- Anticipation of €15 M in the acquisition of institutional advertisement (support to media).
- Cultural programming by local authorities to attract Portuguese tourists (€30M), 22/5.
- Research 4 COVID-19 (call for projects, 24/3-5/4): support to innovative solutions of rapid implementation in the NHS, in response to the pandemic (€1.5 M).
- AI 4 COVID: Data Science and Artificial Intelligence in Public Administration (€3 M).
- Science 4 COVID-19 platform launched on 4/4, 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 (CEiiA) 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 M (public and private).

Tax measures (distinguishing tax delays from other measures)

- Suspension of social security lien foreclosures for 3 months.
- 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.
- Waiving VAT and customs duties on vital medical equipment (protective equipment, testing kits or medical devices such as ventilators), until 31/7.
- Reduced VAT rate on masks and disinfectant gel, 22/4.
- 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 M€ turnover, companies and self-employed open for business in 2019, companies and SE having closed by decision of the Health Authority, and companies and SE 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 related to public guarantees

- €13bn schemes, approved by EC, 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 (€6.2bn): 1) restaurants (€600M); 2) travel agencies (€200M); 3) tourism (€900M); 4) industry (€4.5bn).

- Credit line for treasury support to companies most affected by COVID-19 (€400M), 12/3-6/4.
- Credit line for treasury support to social economy sector (€165M), due to COVID-19 impact.
- Credit line for micro-enterprises in the tourism sector (€60M), started on 19/3.
- Credit line (subsidized) aimed at operators in the fishing and aquiculture sectors (€20M).
- Increased ceilings for export credit insurance schemes for metallurgic, mould, metal and mechanical industries (+€100M), construction abroad (+€100M), short-term exports (+€50M).
- Granting approval by the Portuguese Republic of a loan to TAP - Transportes Aéreos Portugueses, S. A., 17/7, and authorisation to the Government for acquiring shareholdings, economic rights and supplementary payments related to TAP, 16/7.

Other measures than fiscal providing liquidity support

- 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, until September 2020.
- Suspension of termination of essential services (water, electricity, natural gas, telecom).
- €25M package to support the entrepreneurship ecosystem: 1) Start-up COVID19 (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) 200M Fund (co-investment in SME); 7) Co-investment fund for social innovation.
- Review of the Internationalization 2030 programme to foster exports and FDI, 7/5. Financial support to artists and entities most affected (€1 M). Reinforced to €1.7 M, 13/5.
- 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 30/6.
- 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 1/4-30/9, 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 (BdP) recommended less significant institutions to mitigate procyclical effects by considering applying for IFRS 9 transitional rules foreseen in the CRR.
- BdP recommended to avoid dividend distributions and stock buybacks until 1/10 (less sign. inst.).
- BdP implemented EBA Guidelines on legislative and non-legislative moratoria on loan repayments, w/ conditions not to trigger default of obligor and assessment of distressed restructuring.
- Exceptional regime for insurance contracts (flexible payments, adapted premia to de-risking), 7/5.
- 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 30/9, 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 M, 4/5.
- Acceleration of all payments of goods and services by the Public Administration.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- N.A.

Tax measures (distinguishing tax delays from other measures)

- N.A.

Measures related to public guarantees

- N.A.

Other measures than fiscal providing liquidity support

- N.A.

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MEASURES WITH IMPACT IN 2020

Expenditure measures

General

- On 17 April the authorities published the 2020 budget amendment, with an increase of total expenditures by RON 12.5 billion compared to the updated programme. This includes RON +6.9 billion on social assistance and RON +3 billion on emergency reserve fund. The budget amendment includes additional EU transfers of RON 3.9 billion.
- The second budget amendment (adopted by the government on 14 August) increased total expenditures by RON 18.1 bn compared to the updated programme. Out of this, RON +5.7 bn for social assistance (other than old-age pensions) and RON +2.2 bn on emergency reserve fund.

Health expenditure

- The government 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 (reported budgetary impact RON 225 million). 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 (reported budgetary impact of RON 392 million)
- 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 billion.
- Government introduced bonuses of app. 500 EUR per month to health workers treating Covid-19 patients. It also mobilised 1,000 social workers caring for elderly that are in home isolation and need support. The budget amendment of 17 April provided RON 576 million of increased allocation for public wages.
- On 15 May the President signed into law a parliamentary bill granting 30% salary increase to medical personnel dealing with Covid-19 infections, for the state of emergency period and the following 3 months. The law also grants some benefits to the descendants of the medical staff deceased as a result of exposure to COVID-19.

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 billion 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 coronavirus, along with OUG 30/2020 that amends existing regulations to bring them in line with the current conditions. According to the statements by the government, 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 pays 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. 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 Government announced that the payment of the technical unemployment would continue after the end of the state of emergency (15 May) and until 1 June. For companies whose activities are impacted by the restrictions that will have to remain in place, it could continue after 1 June. The budget amendment of 17 April provided RON 4 billion for technical unemployment benefit. RON 4 bn has been spent on this purpose until August 2020.
- 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 provided RON 1.9 billion for this purpose.
- Emergency ordinance 92/2020: starting with June 1, 2020, 41.5% of the corresponding gross basic salary of the employee, but not more than 41.5% of average gross earnings is supported from the unemployment insurance budget for a period of three months for the employers whose employees benefited from the provisions of GEO no. 30/2020, as well as the employers whose employees had their individual employment contracts suspended in accordance with the provisions of Law no. 53/2003 (Labor Code), during the state of emergency or alert. The employers have the obligation to maintain employment until 31 December 2020, except for seasonal workers. The second budget amendment contains RON 3 bn for this purpose.
- Emergency ordinance 92/2020: a monthly aid of 50% of the employee salary, but no more than 2,500 lei for employers who employ young people between 16-29 years old and people over 50 years old. The aid is provided for a period of 12 months, since the date of employment which must be no later than December 31, 2020. In order to benefit from these facilities, companies must comply with certain conditions, such as maintaining employment for a further 12 months from the 12 months for which support is provided. (comment: this is not strictly COVID related).
- Emergency ordinance 132/2020: in case of temporary reduction of the activity caused by the state of emergency, alert, or another exceptional situation regulated by normative act, the employer has the possibility to reduce the working hours by up to 50% of the working hours provided in the individual labour contract. The employees affected by the reduction of the working time will benefit from an indemnity of 75% resulted from the difference between the gross salary for normal working time and the actual salary. In force since 1 September 2020.

Tax measures (distinguishing tax delays from other measures)

- Speeding up of overdue VAT reimbursements (liquidity support, around RON 3 bn).
- The deadline for the payment of the tax on building, land and transport equipment (local taxes) was postponed from 31 March to 30 June.
- Based on emergency ordinance 29/2020, payment deferral of taxes until 25 October. The stock of such deferred payments was RON 16.15 billion by the end September, according to finance minister Florin Citu.

- On 26 March the government approved a 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. 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.
- At the beginning of October, the finance minister announced a bill to allow companies to reschedule their dues accumulated over the past months, granted on demand for 12 months, available to companies with no due payments to the budget at the beginning of the crisis (in March), which pay their dues on time after October 25. Applications for rescheduling may be submitted until December 15 for all budget obligations accruing from March.

Measures related to public guarantees

- The package of measures adopted on 18 March also provide for an Intervention Fund (which will finance a programme called SME INVEST) of RON 10 billion (which was twice increased, to RON 15 billion and to RON 30 billion) 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 until the end of 2020 and of the management and risk fee, within a state aid scheme associated to the program. The budget of the state aid scheme: RON 781 million. Three weeks after its launch, the SME Invest was oversubscribed 5 times, as more than 54 thousand SMEs asked for financing, amounting to around 74 billion RON. Until the end of June, 8,300 companies had access to financing of RON 7.2 billion through the program.

Other measures than fiscal providing liquidity support

- 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 22 June, the banks have assessed and accepted 90% of the approximately 362,000 requests from debtors to delay loan repayment, according to a release of the Romanian Bank Association (ARB). The rest are currently being processed. 334,000 requests came from individuals and around 28,000 from firms. Up to this point, requests have been filed for 22% of the total number of loans to households and 28% of corporate credits.
- 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 June 4, 2020, the Government of Romania approved a Memorandum on support measures for large companies and small and medium enterprises with a turnover of over 20 million lei and to be implemented by Eximbank:
- A first measure consists in granting three categories of guarantees, in the name and on behalf of the state, for companies affected by the COVID-19 pandemic, covering the guarantee requirement in a maximum proportion of 90%, for new or already granted loans by commercial banks.
- The second measure is to provide state aid component financing, in the name and on behalf of the State, for companies affected by the COVID-19 pandemic.
- The Framework Scheme is currently in the process of informal consultations with the European Commission in order to obtain the preliminary opinion, following the decision approving this Memorandum, EximBank will send the final notification of the Scheme to the European Commission.
- After the authorization of the scheme by the Commission correlated with the granting of the related funds by the Ministry of Public Finance, in accordance with the provisions of Law 96/2000 on the organization and functioning of the Export-Import Bank of Romania EximBank SA, republished, EximBank will develop rules for its implementation. It will define several specific financing and guarantee products that will be subject to CIFGA (Inter-ministerial Committee for Financing and Guarantees) approval.
- The financial instruments with state aid component will be available from the date of publication of the Rules for the application of the products in the Official Gazette of Romania for beneficiaries who submit an application no later than 30.11.2020, and the granting of credits and guarantees (signing of guarantee / credit agreements) will be made until 31.12.2020, inclusive
- The third measure consists of the granting of de minimis products, namely the offsetting of interest on outstanding loans, the grant of interest on new loans and de minimis guarantee ceilings for working capital loans granted by commercial banks. The financial instruments with de minimis aid component will be available from the date of publication of the Rules for the application of the products in the Official Gazette of Romania and until the date of exhaustion of the allocated budgets.
- The fourth measure is the granting of loans, guarantees and insurance on market terms in the name and on behalf of the State. The current standard products offered by EximBank will be used for this purpose.
- The Romanian Government intends to allocate an additional budget of 6 billion lei for the implementation of the new product portfolio by EximBank with state aid and de minimis component for support measures A, B and C, with the possibility of additional 2 billion lei depending on the requests for financial products offered by Eximbank for these measures.
- The package of measures established by this Scheme represents a complementary intervention of support from the state addressed to those categories of beneficiaries that do not fall within the eligibility criteria established by the SME Invest Program approved by GEO no. 110/2017, with subsequent amendments and completions. The new Scheme is aimed at large companies that do not have access to funds under the SME Invest Program and cannot obtain additional funding at a higher level, as this facility is only for SMEs.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

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Tax measures (distinguishing tax delays from other measures)

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Measures related to public guarantees

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Other measures than fiscal providing liquidity support

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MEASURES WITH IMPACT IN 2020

Expenditure measures

On 2 April, the National Assembly has adopted the first anti-corona legislative package for a rapid financial assistance to the population. The measures were applied retroactively from 13 March (some of them from 11 April) to 31 May this year:

- Pensioners with pensions below EUR 700 received a one-off crisis bonus in the amount of EUR 130-300. One-off crisis bonus was also 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). (COVID related budget outturn, up to August 2020: EUR 96m)
- For temporary lay-offs, the state covered 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 was expected to decrease by more than 10% compared to the income in 2019). Workers who were forced to stay at home for looking after their children because of the fact that kindergartens and schools were closed or because of the inability to come to work due to the shutdown of public transport or the closure of national borders, were also entitled to 80% of salary compensation and the compensation of all social security contributions paid by the state. (COVID related budget outturn for the initial and the extended, slightly modified measure, up to mid-September 2020: EUR 403m; future planned expenditure for 2020: 75m)
- Self-employed workers, farmers and religious workers whose business was affected by the crisis were entitled to a monthly basic income in the amount of EUR 350 in March and EUR 700 in April and May (if they anticipated a decrease in income by at least 10% in 2020 compared to 2019). The state also covered their social security contributions for April and May. (COVID related budget outturn, up to August 2020: EUR 113m, impact on budget revenue: EUR 44.5m)
- All pension insurance contributions for employees who remained in the workplace were paid by the state in April and May, except for companies in financial and insurance sector with more than 10 employees or entities financed from public sources. (COVID related budget outturn, up to August 2020: EUR 437m)
- Payment deadlines for payments to private suppliers from public funds were 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 were 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, were exposed to health risks more than the average or had higher workloads due to controlling the epidemic, were entitled to an allowance for performing hazardous work and for higher workloads, up to 100% of basic salary. (COVID related budget outturn, up to August 2020: EUR 170m)
- 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 were covered by the state budget. (COVID related budget outturn, up to August 2020: EUR 18m)
- Those employed in the private sector whose gross basic wage was less than three times the Slovenian gross minimum wage and who were performing their work during the epidemic were entitled to an allowance of EUR 200. This new allowance in the private sector was funded by the employer from the funds relating to the exemption of pension insurance contribution payments.
- Workers who lost their job during the epidemic and were not entitled to unemployment benefits received compensation in the amount of EUR 513.64 gross per month.
- Financing private kindergartens: the state financed 85% of the funding for each child during the period of epidemic. (COVID related budget outturn, up to August 2020: EUR 2m)
- Measures in the field of agriculture, forestry and food: Holders or members of farms who were sick received financial assistance of 80% of the minimum wage; holders of commercial fishing licenses were entitled to 40% compensation of total mooring fees for fishing vessels in 2020; for aquatic organism growers, the payment of water fee was reduced for 40% of the total value in 2020. (estimated budgetary impact: EUR 0.1m)
- Sick leave pay of all those who fell ill during the crisis was fully covered by the public health insurance rather than employers having to cover the first 30 working days of absence (COVID related budget outturn, up to August 2020: EUR 14m).
- Employers were exempt from the payment of occupational insurance contributions for all insured who were covered by occupational insurance, regardless of whether they continued to work and received a salary during the period of application of the measures or received 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.

On 29 May, the National Assembly has adopted the third legislative package taking effect on 1 June and estimated to be worth around EUR 1bn. The package includes:

- Subsidies for short-time work which will be available to employers that cannot secure at least 90% of the usual workload for at least 10% of their employees and the state will subsidise up to 20 hours weekly. The measure will apply until the end of the year. (estimated budgetary impact EUR 340m)
- Extension of wage compensation for temporary lay-offs with some modifications until end June 2020 (COVID related budget outturn for the initial and the extended, slightly modified measure, up to mid-September 2020: EUR 403m; future planned expenditure for 2020: 75m).
- Vouchers for citizens to be spent in tourism facilities in Slovenia until the end of the year (EUR 200 for people older than 18 years and EUR 50 for children).The

amount of vouchers used by end August 2020 EUR 80m

On 9 July 2020, the National Assembly has adopted the fourth legislative package including intervention measures for preparation for the second wave of COVID-19. The measures include:

- Extension of the modified wage compensation scheme for temporary lay-offs until end September 2020 (COVID related budget outturn for the initial and the extended, slightly modified measure, up to mid-September 2020: EUR 403m; future planned expenditure for 2020: 75m).
- Determination and payment of compensation for employees in quarantine: workers ordered to stay in quarantine will be entitled to wage compensation and employers will be able to claim a refund of this compensation until 30 September 2020.
- Emergency aid related to institutional care under the Social Assistance Act (EUR 31m).

On 23 September, the Government adopted a proposal for the fifth anti-corona package. Key measures envisaged by the new package include:

- an extension of the modified wage compensation scheme for temporary lay-offs until the end of 2020 (with the possibility of extension till mid 2021) for all industries conditional on the employer's revenue decline of at least 20 percent compared to 2019.
- the possibility of claiming wage compensation for an employee in the event of absence from work for the purpose of protecting a child due to the imposed quarantine as of 1 September until the end of 2020 (with the possibility of extension for 3 months).
- an extension of wage compensation measure in the event of quarantine being ordered for an employee until end of 2020 (with the possibility of extension for 3 months).
- Self-employed and micro-enterprises will be entitled to monthly basic income of EUR 1100 per month from October to December conditional on the revenue decline of at least 30 percent compared to 2019. They will also be entitled to a refund of EUR 250 if they have been quarantined until the end of 2020 (with the possibility of extension for 6 months).
- an allowance for employees in social assistance institutions and professionals working with COVID patients is proposed from June until the end of 2021.
- In order to ensure the financial sustainability of social assistance institutions and public health institutions, the Government proposes to introduce measures to finance protective equipment and cover the cost of additional COVID-related programmes or the loss of income due to spare or COVID-related use of the capacities from June till the end of 2021.
- additional resources will be provided to improve the accessibility to certain healthcare services with excessive backlog as a result of suspension of implementation of regular programs during the COVID epidemic.
- the introduction of a possibility of taking up to three working days due to illness without the confirmation of a personal physician. The wage compensation will be paid by the health insurance fund.
- an introduction of an exemption from the payment for kindergarten in the event of quarantine for the child.
- To help operators of occasional transport services and of the city transport, the proposal also provides compensation for the costs incurred between March 16 and May 11 (during the declared epidemic) when they were unable to carry out

the services. It is also proposed that they should also have the cost of protective equipment for drivers and of disinfecting vehicles reimbursed until the end of 2020 (with the possibility of extension for 3 months).

- On 20 March, the National Assembly 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 was able to redirect funds, while the supplementary budget that did not need to be submitted to the parliament until up to 90 days after the crisis ends. This was 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)

Tax measures (distinguishing tax delays from other measures)

- 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 29m).
- Corporates and private entrepreneurs were 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 27m).

Measures related to public guarantees

- On 28 April, the National Assembly has adopted the second anti-corona package which enables 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 are limited to 10% of annual revenue and annual expenses. Each guarantee amounts 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 2 billion (conservative estimation of guarantee redemption is EUR 485m over 5 years).
- 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

amounts to 50% 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% of the sum of 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)

Other measures than fiscal providing liquidity support

- 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 made available to economic operators 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. Part of the planned resources has already been made available to companies.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- Allowances for employees in social assistance institutions and professionals working with COVID patients in 2021.
- Additional healthcare programmes (COVID-related and regular programmes with backlog).
- Financing of protective equipment and covering the loss of income due to spare or COVID-related use of the capacities in social assistance institutions and health care institutions in 2021.

Tax measures (distinguishing tax delays from other measures)

- Corporate tax deferral with impact of up to 2 years.

Measures related to public guarantees

- The public guarantee scheme with impact beyond 2020 (loans with maturity up to 5 years).
- The deferral of loans by up to 12 months with impact beyond 2020.

Other measures than fiscal providing liquidity support

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SK



MEASURES WITH IMPACT IN 2020

The government adopted a set of measures during the pandemic period to mitigate the economic impact. The expected accrual impact of 0.2% of GDP is expected on the revenue side and 1.7% of GDP on the expenditure side. Guarantees of 1.6% of GDP are assumed to be provided (only a small part of total amount has been provided so far). Initially, measures were designed mainly for self-employed people and small firms as big companies were not closed compulsorily.

Expenditure measures

- The employer has been allowed to use the subsidy to maintain employment

provided that they cannot assign another work to employees and employees do not use nursing benefits or were not on leave. The aid has been granted on the condition that the employer does not dismiss the employee in the two subsequent months. The measure was originally aimed at small and medium companies but the government enlarged it also to big companies later. The measure was extended until the end of 2021. A national short-time work scheme that allows employers to draw financial support up to 80% of the average gross wage and related social-security and health-care contributions of (temporarily) furloughed workers. The support capped at EUR 880/month per furloughed employee.

- A flat-rate contribution contingent on a decrease in sales of at least 20% per employee (monthly support EUR 180/540 per employee depending on the magnitude of the decrease) can be also used by employers. The expected fiscal impact of the measure is of 0.6% at the expenditure side.
- A subsidy for the same purposed aimed to (temporarily) closed enterprises regardless of their size was introduced in March. The state reimbursed 80% of employees' gross wages for an obstacle at work (up to a maximum of EUR 1,100/month). The fiscal impact is estimated close to 0.1% of GDP.
- Self-employed persons, whose sales declined by more than 20% (10% in March) due to the government decision, can apply for a compensation of lost revenue (a monthly flat-rate allowance EUR 180/540 depending on the magnitude of the decrease). Eligible were self-employed persons who paid sickness and pension insurance until March 31. The expected fiscal impact of the measure is ca 0.1% of GDP.
- Another flat rate subsidy can also be granted to self-employed persons who were not insured, people working based on other than employee contracts, single-person limited liability companies and have no other income. The latter four measures were expected to expire in August 2020 originally, but they were extended until October 2020.
- Five guarantee schemes were introduced during the pandemic. Three programmes have been prepared already before the pandemic and are in line with de minimis rule. They are provided by the Slovak Guarantee and Development Bank, EXIMBANKA and the Slovak Investment Holding. These guarantee schemes will be in place by 2023 and loans can be used to finance investment or operating costs. Two programmes were launched according to the new temporary framework set by the European Commission. There is a 90% guarantee scheme for loans up to EUR 2 mil. provided to micro companies with interest rate 3.9%. The guarantee is provided by the Slovak Investment Holding. The guarantee scheme of 80% was prepared for SMEs by EXIMBANKA. Guarantees are provided for loans between EUR 2 and 20 mil. with interest rate 1.9%. New programmes are without bonus but if the employment is sustained for 12 months, guarantee fees are subsidised. These two guarantees can be used only at loans for operating costs. The main aim is the liquidity support. Programmes will be in place only by the end of 2020. State promised to provide bank loans guarantees to entrepreneurs of EUR 500 mil. per month during the pandemic.
- A part of EU funds was reallocated to cover the effects of the crisis and stabilize the economy. For instance, the Ministry of Economy reallocated unspent EU funds to an amount close to EUR 300 mil. to be used for the Slovak Investment Holding and the Slovak Guarantee guarantee scheme.
- Both people in quarantine (sickness benefits) and parents taking care of a family member (nursing benefits) received 55% of their wages during the pandemic. Before the pandemic, the employer had paid compensation on the first days. The

receipt of nursing benefit for childcare was extended from 10 days to the entire length of school and pre-school facilities' closure. Sickness benefit for all those who had to enter compulsory quarantine is paid from its first day. The fiscal of both measures is close to 0.6% of GDP (1/2 in revenues).

- The time for receiving unemployment benefits was extended by one month during the pandemic.
- Entrepreneurs, selling goods or providing services to final consumer, with rental agreements effective from 1 February 2020 at the latest, whose businesses were affected by restrictions at the time of the pandemic, will receive a contribution from the state. It will be in the same amount as a rent discount granted by the landlord (max. 50%) for a period of closed operation. If the entrepreneur has paid rent, he/she will be allowed to claim it from the future rent. The expected fiscal impact linked to the measure is 0.2% of GDP.
- In connection with the pandemic, medical supplies were purchased for the state's material reserves in the amount of ca 0.2% of GDP.

Tax measures (distinguishing tax delays from other measures)

- The submission of tax returns and tax payments for 2019 were delayed until 31 October. Tax overpayments have been returned earlier if requested.
- Deadlines for the submission of financial statements, annual reports and audit reports to the registry were postponed.
- Tax losses from years 2015-2018 could be claimed in 2019 tax returns.
- Taxpayers didn't have to pay advances on PIT and CIT in pandemic months or quarters if their sales fell by at least of 40% in the previous month/quarter compared to the same time of 2019.
- Advances of the motor vehicle tax need not be paid by taxpayers during the pandemic. These advances will be paid in January 2021.
- Taxpayers can still decide on the determination of the paid tax. However, non-profit institutions will receive these funds when taxpayers pay them. They will be allowed to use them until the end of 2021.
- Payments of health and social insurance contributions paid by employers were postponed if revenue had decreased by more than 40%. This was valid in March, May, June and July. Payments for April were waived.
- The submission of tax returns and tax payments for 2019 were delayed until one month after the pandemic is over.
- The exemption from custom duties and VAT on imports of medical material from third countries – goods imported for benefit of disaster victims of minor value or sent between natural persons.
- Lists of tax borrowers and VAT tax payers, who have infringed their obligations during the pandemic, were not updated.
- Tax controls and tax procedures, which had been initiated before the pandemic period or during this period, were interrupted except for those which result in refundings.
- There was a waiver of social security contributions for closed enterprises in April (0.1% of GDP).
- Bank levy was cancelled for the second half of 2020. At the end of June, the government announced an agreement with banks, on the basis of which a new scheme will be introduced instead of a bank levy. A billion euros will be collected and invested in the Slovak Development Fund. This new source will be used for key government projects. In addition, by signing the memorandum, the banks undertook to invest half a billion euros a year in a loan for state projects and one billion euros in a loan for people and companies.

Measures related to public guarantees

- The EXIMBANKA SR launched program of financial support for Slovak companies to mitigate the effects of the COVID-19 pandemic called "ANTI-CORONA GUARANTEE". Guarantee for a loan provided by a commercial bank - "Anti-corona guarantee" is provided through commercial banks to companies, which lack liquidity due to the pandemic. The loan is approved and provided by a commercial bank and the guarantee is approved by EXIMBANKA SR. The loan guarantee is provided in the amount of EUR 2-20 million EUR, no more than 80%. Interest rate for these loans is of 1.9%. The funds from a state-guaranteed loan can be used for financing of investment and operating expenses, including tax, customs and levy liabilities of enterprises or investments in tangible fixed assets, the purpose of which is to replace or maintain the existing tangible fixed assets of the company.
- Guarantees to loans SIH 2a (for SMEs and micro-enterprises) are provided by MTaC/ME SR represented by the Slovak Investment Holding (SIH is a part of the SZRB Group) as administrator. Guarantee may be provided at maximum of 90% of the loan principal for a period of 2 to 6 years, depending on the maturity of the loan. The fee for the guarantee provision will be waived under the condition of maintaining employment and the amount of liabilities to the Social Insurance Agency and health insurance companies for 12 months from the date of the first drawdown of the loan.
- The National Development Fund provides guarantees to loans SIH 2a (for micro-enterprises, SMEs and big companies) provided by the SZRB. Guarantees can be up to 90% of the loan principal lasting from 2 to 6 years, depending on the maturity of the loan. The fee for the guarantee provision will be waived under the condition of maintaining employment and the amount of liabilities to the Social Insurance Agency and health insurance companies for 12 months from the date of the first drawdown of the loan.
- The Ministry of Finance provides support to loans provided by the SZRB in the programme "PODNIKATEL' 2020" to SMEs. The MoF also settles interest costs if above-mentioned conditions met.
- The "SIH anticorona guarantee 1" is portfolio guarantee for financial institutions, which should support to maintain employment in SMEs. There is an interest support up to 4%. Hence, loans provided to SMEs in the program can be interest-free. Guarantees are provided to new bridge loans up to EUR 1.2 million with the maturity no longer than a quarter of year. For these loans, there is a possibility to defer payments and interest for up to 12 months. Eight commercial banks were involved in the programme in September.
- The "SIH anticorona guarantee 2" is other portfolio guarantee for financial institutions providing subsidised bridge loans to entrepreneurs. The SIH assumes risks via the National Development Fund I and the National Development Fund II. They assume 90% of the credit risk linked to new loans. Guarantees are funded from ESIF (allocation of EUR 347 million) and state financial assets EUR 1.75 bn. Guarantees are linked to loans provided for 2-6 years in the amount up to EUR 2 million with interest rates of 3.9% for micro-enterprises and 1.9% for other companies.

Other measures than fiscal providing liquidity support

- The EXIMBANKA SR launched the provision of an operating loan called "COVID LOAN" to support bridging of the negative economic impacts caused by the occurrence of COVID-19 pandemic. The aim of this loan is to support the

maintenance of operations and employment of SMEs, which carry out export activities for at least two accounting periods before applying for a COVID loan. If the conditions of the provision are met, entrepreneurs can obtain an interest-free loan. The total amount of the loan may vary from EUR 100,000 to 500,000 and at the same time the maximum amount may not exceed 50% of the total turnover of SMEs in 2019. The loan can be used for funding of operating costs or investments into tangible and intangible assets related to maintenance of business operations and employment or the settlement of liabilities to the Social Insurance Agency and health insurance companies, unless these liabilities are not overdue for more than 180 days.

- The Slovak Guarantee and Development Bank (SZRB) provides loans – “LOAN SIH 2a” to SMEs and micro enterprises with financial support of the Ministry of Transport and Construction (managing authority of the OP Integrated Infrastructure) and the Ministry of Economy in the form of loan guarantees and a waiver of the warranty fee. Total loan cannot be higher than 25% of total turnover in 2019 and twice the applicant's annual wage costs in 2019. The loan can vary from EUR 10,000 to 500,000 for micro enterprises and to 2 million for SMEs. Loan maturity ranges from 2-6 years. Interest rates are set at 1.9% for SMEs and at 3.9% for micro-enterprises.
- The SZRB launched also programme “LOAN SIH 2b” to SMEs, micro-enterprises and big companies. Loans are supported by the National Development Fund I managed by the SIH. Micro-enterprises and SMEs can apply for loans (with maturities between 2 and 6 years) up to EUR 500,000 and big companies up to EUR 2 million.
- The SZRB provides loans in the programme “PODNIKATEL’ 2020” to SMEs for covering operating and investment costs linked to operation maintaining operations and employment, incl. liabilities for the Social Insurance Agency and health insurance companies. The aim of these loans is to mitigate negative impacts of the pandemic. There is a possibility get the support from the Ministry of Finance (guarantee and waiver of guarantee fees). Loans can amount from EUR 10,000 to 350,000 with maturity of 3 years and possibility to defer the maturity of the principal by 12 months. Loans are lent at an interest rate of 4%. SMEs can use bonification SMEs can use a 4% bonus if they maintain an average employment situation of 12 M and at the end of the maturity, liabilities with a maturity of more than 1 month overdue against health insurance companies and the Social Insurance Agency will not be reduced. The balance of liabilities to SP and ZP may not be higher than before the loan was granted, after a reduction of the loan amount.
- The National Bank of Slovakia (NBS) has implemented measures as part of a coordinated approach with the ECB and European Banking Authority. Banks may partially meet Pillar 2 requirements using capital instruments that do not qualify as common equity tier 1 capital; and banks may, in justified cases, temporarily operate below the capital defined by the recommendations from Pillar 2. In addition, banks will also, where justified, be temporarily exempted from full compliance with the liquidity coverage ratio (LCR) and capital conservation buffer (CCB). These measures are intended to provide scope for lending and absorbing losses.
- The NBS may suspend the sanction and permitting proceedings conducted by it. Deadlines for NBS operations shorter than 30 days have been extended to 30

days. Deadlines for supervised and other entities have been extended. During the pandemic, the possibility of electronic communication was introduced.

- Banks were recommended to postpone dividend payments, shares buybacks and restrain in paying the variable remuneration component.
- Banks with a high share of NPLs will have another 6 months to submit a plan to reduce them.
- The NBS decided to leave the countercyclical capital buffer (CcyB) rate unchanged at 1.5% as of 1 August 2020, repealing its previous decision to increase the rate to 2%.
- Citizens, self-employed persons and small and medium-sized enterprises (with less than 250 employees, annual turnover lower than 50 mil. and balance sheet total less than 43 mil.) can apply for the deferral of bank loan instalments by up to 9 months free of any extra charges. Interest on the loan shall be paid for the suspension period after the end of the government's announced emergency measures to prevent the spread of COVID. If a non-banking institution provided the loan, the borrower can ask for a deferral of loan repayment for 3 months with the possibility of extension for another 3 months. The deferral will not adversely affect the entry in the loan register.
- The Ministry of Justice has created a temporary framework to protect entrepreneurs who have been hit hard by a pandemic from bankruptcy. Protection was introduced until the end of September 2020 and later extended until the end of 2020. New temporary protection of entrepreneurs from creditors is being prepared with expected effect from 1 January 2020. New legislation should also bring tools such as informal restructuring or low-cost quick bankruptcy.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

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Tax measures (distinguishing tax delays from other measures)

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Measures related to public guarantees

-

Other measures than fiscal providing liquidity support

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FI



MEASURES WITH IMPACT IN 2020

Expenditure measures

- Support for enterprises: grants provided for companies by Business Finland and ELY Centres, support for solvency of sole entrepreneurs, support for catering entrepreneurs, support for agricultural and natural resource economy enterprises, general cost support for companies, estimated increase in Finnvera's loss compensation: EUR 2 billion
- Extension of unemployment security: eliminating the waiting period, speeding up the layoff procedure, making entrepreneurs eligible for unemployment security,

- extending the payment period of startup grants, streamlining unemployment benefit payments, epidemic compensation: EUR 0.5 billion
- Extension of social benefits: support for individuals arriving from other countries and parents of small children, temporary increase in social assistance: EUR 0.2 billion
- Children and young people, and wellbeing of the elderly: free leisure activities, early childhood education and care, basic education and general upper secondary education, guidance counselling and youth work, student health care, ensuring properly functioning services for the elderly: EUR 0.3 billion
- Investment projects: basic transport infrastructure maintenance, developing the transport network, renovation construction, and public transport support: EUR 0.3 billion
- R&D&I, competence and wellbeing: additional starting places for higher education and developing continuous learning, research appropriations for the Academy of Finland, public employment and business services and developing the service structure: EUR 0.3 billion
- Health and social services resources and equipment purchases, and covid-19 research: EUR 0.8 billion
- Other expenditure increases arising from the coronavirus situation: EUR 0.5 billion

Tax measures (distinguishing tax delays from other measures)

- Lowering of private-sector pension contributions for the period 1 May - 31 December 2020: EUR 1.1 billion. Funding will come from the EMU buffer fund of the employment pension scheme.
- Easing of payment terms for taxes due on or after 1 March 2020 and lowering the interest on late payments from 7% to 2,5%. The easing also applies to value added tax payments due in the period January - March. Assessing the impacts of the delays of 2020 tax revenue to 2021 and 2022: EUR 0.8 billion.
- Option of postponing pension contribution payments by three months: no estimate available.

Measures related to public guarantees

- Increasing Finnvera's domestic financing authorisations from EUR 4.2 to EUR 12 billion. About EUR 2 billion of the authorisations had been used in spring and thus the increase in the authorisations was about EUR 10 billion
- Increasing Business Finland's lending authorisations: total increase for the period 2020-2022: EUR 0.3 billion
- State guarantees to cover Finnair's financing needs: EUR 0.5 billion
- State guarantees to shipping companies to ensure cargo traffic important to security of supply: EUR 0.6 billion
- State guarantees for the loans granted within the framework of the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE): EUR 0.4 billion
- State guarantees for any losses arising from the Pan-European covid-19 guarantee fund to be established under the European Investment Bank: EUR 0.4 billion

Other measures than fiscal providing liquidity support

Capitalisations:

- injecting capital into Finnish Industry Investment for the setting up of a new stability programme: EUR 0.4 billion
- Equity investment in Finnish Minerals Group: EUR 0.5 billion
- Capitalisation arrangements in Finnair Plc and other SOE: EUR 0.7 billion

Other support measures:

- Lowering of credit institutions' capital requirements: increasing lending capacity by EUR 30 billion
- Bank of Finland's investments in commercial papers: EUR 1 billion
- Investments of the State Pension Fund in domestic commercial papers will be increased at most to EUR 1 billion.
- Easier reborrowing TyEL contributions: no estimate available
- Authorising the Financial Stability Fund to borrow funds to meet its statutory obligations concerning the deposit guarantee: EUR 2 billion

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- Support for enterprises: grants provided for companies by Business Finland and ELY Centres, support for solvency of sole entrepreneurs, support for catering entrepreneurs, support for agricultural and natural resource economy enterprises, general cost support for companies, estimated increase in Finnvera's loss compensation: EUR 0.4 billion in 2021, EUR 0.2 billion in 2022
- Investment projects: basic transport infrastructure maintenance, developing the transport network, renovation construction, and public transport support: EUR 0.1 billion in 2021, EUR 0.1 billion in 2022
- R&D&I, competence and wellbeing: additional starting places for higher education and developing continuous learning, research appropriations for the Academy of Finland, public employment and business services and developing the service structure: EUR 0.1 billion in 2021
- Health and social services resources and equipment purchases, and covid-19 research: EUR 1.5 billion in 2021

Tax measures (distinguishing tax delays from other measures)

- Lowering of private-sector pension contributions for the period 1 May - 31 December 2020: the buffer fund will be augmented again by raising the pension contributions by EUR 0.3 billion per year in the period 2022-2025.
- Easing of payment terms for taxes due on or after 1 March 2020 and lowering the interest on late payments from 7% to 2,5%. The easing also applies to value added tax payments due in the period January - March. Assessing the impacts of the delays of 2020 tax revenue to 2021 and 2022: EUR 0.8 billion.

Measures related to public guarantees

- The increased authorisation for public guarantees granted in 2020 will remain valid until the end of 2025.

Other measures than fiscal providing liquidity support

- The capitalisations and most of other measures providing liquidity support will have effect beyond 2020.

SE



MEASURES WITH IMPACT IN 2020

Expenditure measures

The government has presented a number of measures in five additional amending budgets since mid-March, in the "Spring Amending Budget for 2020", presented on 15

April, in five subsequent amending budget, and in the 2021 budget proposed presented on 21 September. Several of the measures initially taken were subsequently extended.

- A part-time employment scheme entailing that employers' wage costs can be reduced by up to 52.5 percent and that the central government covers a large share of the employee's wage bill. Working hours can be reduced by up to 60 per cent while employees still receive 92.5 per cent or more of their regular salary. Short-term layoffs entered into force on 7 April and will be in effect throughout 2020 but can be applied for retroactively from 16 March. In May–July the program was extended, allowing employers to reduce working hours by up to 80 percent, while employees keep 88 per cent of their regular salary. The fiscal costs of the program are estimated to SEK 43 billion.
- Government to temporarily assume sick pay responsibility as of April to the end of July. During August and September the government will compensate employers for higher sick pay costs due to the COVID-19 pandemic. Sickness benefit qualifying day temporarily discontinued until December 31. The appropriation for disease carrier's allowance is increased. The government has temporarily suspended medical certificate requirement until May 31 and have announced that the measure should be extended to September 30. Self-employed will temporarily receive standardised sick pays for days 1-14 until May 31, with an announced extension to September 30. Estimated cost: SEK 19 billion plus an extra SEK billion for extended coverage of qualifying day.
- Funding of extraordinary costs associated with the COVID-19 virus of municipalities and regions (the appropriation is increased by SEK 10 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 and SOS Alarm. Fiscal cost: SEK 1 billion.
- Specific support to the cultural sector and sports movements (SEK 4 billion) and local journalism (SEK 700 million). State-financed cultural institutions will receive extra funding to compensate for revenue losses (SEK 319 million is set aside for this). The appropriation for regional cultural institutions increased by SEK 150 million.
- ALMI (the Swedish SME and Entrepreneur Agency) receives a capital injection of SEK 3 billion to increase lending to SMEs.
- 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 COVID-19, 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 between April and June 2020. SEK 2 billion is allocated for this.
- Temporarily relaxing unemployment insurance eligibility requirements. Under previous rules, workers had to be a member of a fund for 12 months and needed to have worked at least 80 hours/ month for at least six months before qualifying for compensation. Under the new scheme, workers only need to have worked a minimum of 60 hours/month and will be entitled for compensation after only 3 months as a member. 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 until the end of 2020. 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 2.6 billion.
- Relaunch initiative for green jobs. The government is relaunching an initiative for green jobs for people who are far from the labour market. The aim is to create jobs in the area of nature and forest conservation. Fiscal cost: SEK 319 million. To improve young people's entry in the labour market, SEK 180 million is set aside for summer jobs for young people administered by the municipalities.
- 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 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. On June 4, an additional SEK 5.9 billion was allocated to large-scale testing for Covid-19 and contact tracing.
- 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 21 billion in higher general grants, of which SEK 12.5 billion is a permanent increase in appropriations.
- More flexible rules for the 'waiting list billion' to regions. Large parts of the performance requirements will be temporarily removed for 2020, the funds will instead be paid to all regions based on the size of their population. This can be used to adapt capacity to increased care needs. Fiscal cost: SEK 2 billion.
- Reorientation support to firms based on loss of turnover. Swedish companies that show a loss of turnover that occurred as a direct result of the COVID-19 outbreak of at least 30 per cent in the months of March and April 2020 as compared to the same period last year, can apply for support of 75% of losses, calculated on the basis of fixed costs. A threshold of a minimum yearly net turnover of SEK 250,000 applies. Legal entities can benefit as well as natural persons registered for F-skatt who run a business liable to taxes. The schemes includes provisions against abuse, including limitations on pay-outs and provisions to exclude operations with incompliant tax jurisdictions. The impact on public finances is estimated to be SEK 39 billion in 2020. Scheme extended to May-July inclusive with higher thresholds for turnover loss of 40% (May) and 50% (June-July). Maximum support of SEK 75 million per qualifying firm for May and SEK 150 million for June-July. Budgetary impact of extension: SEK 7 billion in 2020; SEK 2 billion in 2021.
- Temporary targeted support to regional public transportation. To mitigate the effect of reduced travel due to Covid-19, regional public transportation will receive SEK 3 billion in temporary state aid. The support will be distributed across regions to the competent authorities based on the size of ticket revenues in each region.
- To improve staffing and make jobs in elderly care more attractive, employees will be offered paid training during work hours. The central government will cover the cost for employees' absence from work due to studies. To ensure that there are sufficient education seats, regional adult vocational training will receive extra funding so that 10,000 persons will be able to get training in health and social care

during the fourth quarter of 2020 if they study half-time. Folk high schools' adult vocational training will also be expanded with 1,000 seats during 2020, focusing on health and social care. Fiscal cost: SEK 2.2 billion during 2020 and 2021.

- Temporarily increased supplementary housing allowance for families with children who already receive housing allowance from 1 July to the end of 2020. At most, this supplementary allowance can amount to SEK 1325 per month. Fiscal cost: SEK 560 million.
- Measures to prevent Covid-19 fraud. To ensure that business support does not get misused or taken advantage of by criminal networks, the government will shortly be submitting a supplementary budget containing extra resources (corresponding to 130 employees) and powers to the Tax Agency to carry out extra checks and controls. Fiscal cost: SEK 71 million, but revenues following from the measure are expected to exceed the fiscal cost
- Funding for increased railway and road maintenance to the amount of SEK 1.02 billion.
- To further strengthen the digital infrastructure, SEK 200 million is allocated within the framework of the Program for Rural Development to support the installation of broad band in densely populated areas and small populated areas.
- Temporary removal of the taxation on work-related benefits concerning free parking to a maximum amount of 1000 SEK. This should incentivise certain groups using the car instead of public transport, thereby assisting transport operators.
- Airline and airport support. On 14 June, the government proposed an extra SEK 50 million in temporary operating aid to regional airports.
- On 15 June, proposed capital injection of SEK 5 billion to SAS, conditional on environmental requirements. Another prerequisite is also that other major stakeholders provide capital. EU commission approved the measure in August 2020.
- Capital injection of SEK 3.15 billion into state-owned airport operator Swedavia. Air Navigation Services of Sweden (Luftfartsverket) will receive extra funding of SEK 900 million to compensate for revenue losses due to pandemic and ensure critical societal functions like ambulance flights.
- Swedish Maritime Administration (Sjöfartsverket) receives SEK 300 million to cover revenue losses.
- Temporary compensation for people belonging to a risk group, who are unable to work from home, or parents which children are at risk of severe illness from coronavirus. Disease carrier allowance could also be available for some close relatives living together with a person belonging to a risk group. Fiscal cost: SEK 8 billion.
- More education places to address skill-shortages on the labour market, corresponding to an additional 1300 permanent education places. Expansion of further education and lifelong-learning (1500 education seats) as well as upskilling for people in short-time work. Fiscal cost: SEK 1 billion.
- Strengthening of capital base of Lernia (labour market training and extended education) of SEK 150 million.

Tax measures (distinguishing tax delays from other 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.
- 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 removal of the taxation on work-related benefits concerning free parking to a maximum amount of 1000 SEK. This should incentivise certain groups using the car instead of public transport, thereby assisting transport operators.

Measures related to public guarantees

- State credit guarantees for Swedish airlines amounting to a maximum of 5 billion SEK. Extension of credit and credit guarantees 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. The guarantee applies to new loans approved between 1st April and 30th September 2020.
- Student loans that have been granted should not have to be paid back in cases where there is no teaching due to the pandemic.
- State guarantees to the EU for loans to member states, SURE, and to the European Investment Bank for a guarantee fund for support to companies. Approximately 1.7 billion EUR in total (SEK 20 billion).

Other measures than fiscal providing liquidity support

- 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. Given relative scarcity of government bonds, purchases can include municipal bonds, mortgage bonds (in the Nordics, there is a deep and liquid market for the latter), as well as corporate bonds.
- 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 SEK 45 billion).
- On 16 March, the FSA clarified that it will temporarily allow banks to fall below the liquidity coverage ratio requirements for individual currencies and total currencies. This measure relieves liquidity constraints.
 - 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.
 - On 1 July, the Riksbank decided to extend the framework of asset purchases from SEK 300 billion to SEK 500 billion up to the end of June 2021. In September, the Riksbank will also begin purchasing corporate bonds. The Riksbank also decided to cut interest rates on the standing facilities from the repo rate plus 0.2 pp to plus 0.1 pp and extend maturities for lending to banks from two to four years). The repo rate was held unchanged at zero per cent.

MEASURES WITH IMPACT IN 2021 (and/or beyond)

Expenditure measures

- In 2020 municipalities and regions will receive SEK 21 billion in higher general grants, of which SEK 12.5 billion is a permanent increase in appropriations.
- Reorientation support to firms based on loss of turnover. Swedish companies that show a loss of turnover that occurred as a direct result of the COVID-19 outbreak of at least 30 per cent in the months of March and April 2020 as compared to the same period last year, can apply for support of 75% of losses, calculated on the basis of fixed costs. A threshold of a minimum yearly net turnover of SEK 250,000 applies. Legal entities can benefit as well as natural persons registered for F-skatt who run a business liable to taxes. The schemes includes provisions against abuse, including limitations on pay-outs and provisions to exclude operations with incompliant tax jurisdictions. The impact on public finances is estimated to be SEK 14 billion in 2020. Scheme extended to May-July inclusive with higher thresholds for turnover loss of 40% (May) and 50% (June-July). Maximum support of SEK 75 million per qualifying firm for May and SEK 150 million for June-July. Budgetary

impact of extension: SEK 7 billion in 2020; SEK 2 billion in 2021.

- To improve staffing and make jobs in elderly care more attractive, employees will be offered paid training during work hours. The central government will cover the cost for employees' absence from work due to studies. To ensure that there are sufficient education seats, regional adult vocational training will receive extra funding so that 10,000 persons will be able to get training in health and social care during the fourth quarter of 2020 if they study half-time. Folk high schools' adult vocational training will also be expanded with 1,000 seats during 2020, focusing on health and social care. Fiscal cost: SEK 2.2 billion during 2020 and 2021.

Tax measures (distinguishing tax delays from other measures)

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Measures related to public guarantees

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Other measures than fiscal providing liquidity support

- 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 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.
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