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*This publication provides a high level summary of the targeted measures taken in selected European jurisdictions, in order to support businesses from the impact of COVID-19.*

*This information has been put together by: Liedekerke for **Belgium**, Gorrissen Federspiel for **Denmark**, August Debouzy for **France**, Noerr for **Germany**, Gianni Origoni, Grippo, Capelli & Partners for **Italy**, Arendt & Medernach for **Luxembourg**, Garrigues for **Portugal** and **Spain**, Houthoff for **The Netherlands**, and Burges Salmon for **United Kingdom**.*

*This document only provides a high level summary of the main measures taken in the respective jurisdiction to support businesses as result of COVID-19 disease. The information contained in this document should not be construed as legal advice and does not purport to deal with, or cover every aspect of, every important topic, term or criteria of such measures*

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## Belgium – Liedekerke

Link to COVID-19 briefing/updates page: <https://www.liedekerke.com/covid19-presentation.html>

Liedekerke  
wolters  
waelbroeck  
kirkpatrick

<b>Financial support to companies</b>	<b>Hindrance Premium</b> Undertakings that have to close and which fulfil certain conditions can benefit from a one-time premium. The amount of the premium depends on the region in which the undertaking is located: - <b>Brussels Capital:</b> EUR 4,000 (per establishment unit of the undertaking, with a maximum of 5 premiums per undertaking); - <b>Flanders:</b> EUR 4,000 (per establishment unit of the undertaking, with a maximum of 5 premiums per undertaking) (+ EUR 165 per additional day that the undertaking is closed after 5 April); - <b>Wallonia:</b> EUR 5,000 (one premium per company number) Eligibility conditions apply.
<b>Moratoria on debts or mortgages</b>	<b>Deferral of payments under existing credit facilities</b> Undertakings financially affected by the Covid-19 outbreak can apply for a payment deferral under their corporate credits for a maximum of 6 months, pursuant to which undertakings will not have to repay principal for a period of maximum 6 months. Interest on loans will remain due and payable. Once the deferral period has expired, repayment of principal will resume and the duration of the credits will be extended by the deferral period. Payment deferrals of corporate credits may be requested by undertakings (established in Belgium) that are nonfinancial enterprises, which meet each of the following 3 criteria: - facing liquidity shortages due to COVID19 outbreak; - not in payment default in respect of existing credits, taxes or social security contributions on 1 February 2020 or having incurred late payment delays of less than 30 days with respect to existing credits, taxes or social security contributions on 29 February 2020; and - having fulfilled all its contractual credit obligations with all banks during the last 12 months prior to 31 January 2020. Payment deferrals may be requested for credits with a fixed repayment schedule.  <b>State guarantee scheme</b> The government has pledged a total amount of 50 billion EUR as part of a guarantee scheme to cover losses incurred by the financial sector in connection with new loans made available to businesses in response to the crisis.. Furthermore, all new bank loans subject to the state guarantee shall be subject to an interest rate of maximum 1.25% (excl. fees). New credit facilities up to 50 million EUR per company (or group of affiliated companies) will be guaranteed by the government. New credit facilities for an aggregate amount in excess of 50 million EUR will require additional approval. The guarantee scheme applies: - to all new bank loans and credit facilities with a maximum maturity of 12 months granted from 1 April 2020 until 30 September 2020, both to nonfinancial enterprises as to self-employed entrepreneurs; and - only to companies that can show that they were financially healthy and viable before the Covid-19 outbreak.  The guarantee scheme does not cover refinancing of existing loans, nor for example drawdowns under existing credit facilities. Technically, the scheme also does not cover losses on credit agreements at an individual level, but at the level of the entire loan portfolio of each credit institution. Only if the total losses on this portfolio exceed 3%, the state guarantee scheme will (partially) apply. Losses of up to 3% will have to be absorbed by the credit institution itself.

<b>Employment measures</b>	<p><b>Temporary unemployment for force majeure</b> Employers who are no longer able to employ their (entire) workforce as a result of the COVID19-crisis, can rely on temporary unemployment for force majeure to allow employees to obtain unemployment benefits. The employment agreements with the employees are maintained but suspended. Undertakings are eligible for this measure if they had to close the business as a result of a governmental order, if employees must remain in quarantine, if there is not enough work to be done to keep all employees busy.</p>
<b>Tax aspects</b>	<p><b>Additional period of two months for the payment of certain taxes</b> - Personal income tax, corporate income tax, non-resident income tax, legal entity tax, with respect to tax assessment year 2019 whereby the tax is assessed as from 12 March 2020 onwards. - VAT and payroll tax with respect to February 2020 and March 2020 for monthly taxpayers and with respect to the first quarter of 2020 for quarterly taxpayers. This measure applies to undertakings, entrepreneurs and individuals.</p> <p><b>Payment deferral plan</b> This payment deferral relates to payroll tax, VAT, personal income tax, corporate income tax and legal entity tax. All undertakings with a valid Belgian enterprise number that encounter hindrance as a result of the COVID19 are eligible. The undertakings concerned should file a specific form.</p> <p><b>Accelerated VAT credit refund</b> Possibility for an accelerated VAT reimbursement on 30 April 2020 at the latest for all monthly VAT returns for February 2020.</p>
<b>Rental payments</b>	<p>Retail tenants may be able to validly claim an exemption from their financial obligations under their retail lease agreements, for the duration of the imposed closing by governmental measures but this will need to be assessed on a case-by-case basis.</p>
<b>Insolvency laws</b>	<p>In principle, Belgian insolvency law requires any enterprise as well as its directors to file for bankruptcy within the statutory time limit of one month as from the moment it is established – or should reasonably have been established – by the Board that the bankruptcy conditions are satisfied. However, the Belgian government has recently introduced a temporary moratorium in light of the COVID-19 crisis, suspending this obligation if the bankruptcy conditions are satisfied as a result of the crisis.</p> <p>Further, the Moratorium temporarily suspends certain creditors' rights. More specifically, for the duration of this moratorium and despite the debtor being in payment default, (i) creditors will not be able to execute certain enforcement (proceedings) and security rights against the debtor, nor (ii) terminate pending agreements due to the debtor's payment default and (iii) undertakings cannot be declared bankrupt, be the subject of judicial dissolution or forced transfer of their business activities due to bankruptcy before a Belgian court.</p> <p>Exceptions to these rules apply, such as in the case of fraud. The scope of the temporary moratorium is also limited in that it <a href="#">only applies to enterprises facing a threatened continuity of business due to the Covid 19 crisis</a>. It also does not affect directors' liabilities.</p>
<b>Corporate activities, officers duties, regulatory filings or company registrations</b>	<p>It is important for board and senior executive committee members to closely monitor the impact of the Covid-19 crisis on their business, and especially the financial position of their company. A few aspects to take into account under Belgian law include:</p> <ul style="list-style-type: none"> <li>- If a company is facing substantial losses due to the Covid-19 crisis, it may have to comply with the "alarm bell" procedure as set out in the Belgian companies and associations code. Such alarm bell procedure implies (amongst others) that the management body must prepare a report in which it proposes measures that will be taken to preserve the continuation of the activities of the company (unless the management body proposes to cease the activities of the company altogether).</li> <li>- If directors continue to conduct a loss-making business, knowing that there is no reasonable prospect of avoiding bankruptcy ('wrongful trading'), they can be held personally liable.</li> </ul>
<b>Any other measures of note</b>	<p>For further information and daily live updates, please consult our Covid-19 resource hub at <a href="https://www.liedekerke.com/covid19-presentation.html">https://www.liedekerke.com/covid19-presentation.html</a></p>

## Denmark – Gorrissen Federspiel



Gorrissen Federspiel

<p><b>Financial support to companies</b></p>	<p>Two examples of financial support to companies in Denmark regard (1) salaries and (2) overhead expenses. They both concern compensation, available from 9 March 2020 for three months.</p> <p>(1) The state pays 75% of payroll expenditure (at a maximum of 30,000 DKK/month). Conditions include the company's sending home at least 30% of employees or more than 50 employees because of COVID-19, the employee's place of work is in Denmark and affected employees' taking up to five days off.</p> <p>(2) Overhead expenses are expenses that companies must pay despite the decline in turnover, e.g. rent, interest expenses and expenses bound by agreement terms (e.g. leasing). Depreciation is not included neither are wage costs. If companies have been temporarily banned to run their businesses, they may apply for 100% compensation for such expenses. For other companies, there is a sliding scale from 80% compensation of overhead expenses if companies suffer an 80-100% decline in turnover to 25% compensation if companies suffer a 40-60% decline. The maximum compensation per company is 60 million DKK and no compensation is payable if overhead expenses are under 25,000 DKK.</p> <p>In addition, if the self-employed and freelancers experience a decrease in turnover of at least 30%, the state may provide 75% of the loss of turnover. The maximum is 23,000 DKK/month. Conditions include not having more than ten full-time employees, a minimum of 10,000 DKK turnover/month in the preceding period, be registered by 1 February 2020 and have a minimum 25% ownership in the business.</p>
<p><b>Moratoria on debts or mortgages</b></p>	<p>See "Financial support to companies", particularly regarding overhead expenses.</p>
<p><b>Employment measures</b></p>	<p>Owing to the COVID-19 situation, there are considerations regarding holiday notice, the GDPR and cybersecurity.</p> <p>The normal one-month notice for instructing an employer to take holiday no longer applies if there are special circumstances, which are likely when a material decline in the workload is experienced, and so employers may make use of this reduced notice period if they are facing a reduced need for manpower.</p> <p>The GDPR will need to be considered regarding any processing of information an employer undertakes owing to COVID-19. The Danish Data Protection Agency has stated that in certain circumstances it is possible for an employer to register and disclose information regarding an employee's infection of COVID-19, subject to certain conditions such as the information's being impartial and limited to what is necessary.</p> <p>The Danish Centre for Cybersecurity has also issued guidance for employers because of the increased risk owing to a greater number of employees' working from home. Guidance includes enabling of automatic software updates, testing of remote access systems and ensuring that such systems have enough capacity.</p>
<p><b>Tax aspects</b></p>	<p>The Danish Parliament has adopted a tax bailout package that strengthens Danish companies' liquidity by extending payment deadlines. The bailout package includes, among other things, an extension of the deadlines for paying: (1) VAT (generally, the smaller the company the longer the extension) and (2) PAYE tax and labour market contributions (generally, four months), and a temporary increase of the credit balance in the tax account from 200,000 DKK to 10 million DKK.</p> <p>The deadline for filing returns for the 2019 income year has been extended to 1 September 2020.</p>
<p><b>Rental payments</b></p>	<p>See "Financial support to companies", particularly regarding overhead expenses.</p>
<p><b>Regulatory filings or company registrations</b></p>	<p>Executive orders have allowed for suspension of deadlines in Denmark. One order allows deviations from various laws that are supervised by the Danish Financial Supervisory Authority (DFSA), such as the Financial Business Act, the Capital Markets Act and the Payment Act. This non-exhaustive list of deviations</p>

	<p>generally concerns deadlines to publish or provide information to the DFSA, such as submission of the audited and approved annual report. To utilise the deviations, an institution is to request the DFSA to deviate and it must be impossible or disproportionately difficult for the company to comply with the obligations owing to the actions taken because of COVID-19. The deadline for submitting the annual report to the Danish Business Authority has also been extended, subject to conditions such as the relevant AGM not yet having been held. Another order suspends time limits for the Danish Competition and Consumer Authority to assess merger notifications.</p>
<b><i>Insolvency laws</i></b>	<p>See "Financial support to companies" and "Tax aspects" regarding measures to assist liquidity. Moreover, the government has introduced a guarantee scheme of 25 billion kroner where the Danish state investment fund can guarantee 70% of large companies' loans or credit if there is, or there is expected to be, a revenue loss of at least 30%. The scheme has an upfront fee of 0.25% of the guaranteed amount and an annual commission based on the company's rating.</p> <p>Similarly, the state investment fund can guarantee loans and credit for small and medium sized enterprises with a revenue loss (actual or expected) of at least 30%. The guarantee covers 70% of the financial institution's loss. The scheme of 17.5 billion kroner has an upfront fee of 2,500 kroner and an annual commission of 1% of the guaranteed amount.</p>
<b><i>Corporate activities and officers duties</i></b>	<p>See "Regulatory filings or company registrations" regarding how corporate deadlines can be affected. Moreover, there is a Danish prohibition against assemblies of more than ten participants that is likely to influence both how and when companies' AGMs are held.</p>
<b><i>Any other measures of note</i></b>	<p>Compensation for cancelled or postponed events may also be applied for. Compensation is based on the event's deficit, i.e. the event's expenses minus its earnings. Lost profit cannot be claimed for. Conditions include that the event would have had more than 1000 participants or more than 500 if the event was aimed at at-risk groups, the event would have been held between 6 and 31 March 2020 and the event was open to registrations from the public before 6 March 2020.</p> <p>The Danish Epidemic Act 2019 was amended owing to COVID-19 to allow restrictions and orders concerning citizens, associations, private and public institutions etc. The restrictions must be temporary and proportional.</p>

## France – August Debouzy



### **Financial support to companies**

To mitigate the economic consequences of this crisis, 3 main exceptional measures to support companies, all of them being aimed at helping French companies, whatever their size, to get cash flow:

- 1- An immediate economic aid of €45 billion, consisting in the deferral of tax and social security charges for March up to €30 billion euros;
- 2- A State guarantee of €300 billion for bank loans taken out by French firms to enable them to find cash in the absence of turnover during the Covid-19 epidemic or to reschedule their loans. The goal is clear: no small medium size enterprise should face difficulty to find the cash flow it needs. This measure results from a decision taken on March 16th at the European level to grant €1,000 billion guarantees from the Member States of the Euro Zone for bank loans to ensure cash flow for the economy in the Euro Zone.
- 3- A measure designed as a "safety net" for those who would not be eligible to the announced measures: the creation of a €1 billion Solidarity Fund for small businesses, the self-employed workers and micro-entrepreneurs who, having a turnover lower than €1 million, will have lost more than 70% of their turnover in March 2020 compared to March 2019. 600,000 companies are covered by this measure and will therefore receive €1,500 per month during the epidemic. For this purpose, a simple declaration on honour confirming the decrease in turnover should be sufficient in principle, as Bruno Le Maire wishes to make the process "simple, massive and supportive".  
See also tax comments below.

### **Moratoria on debts or mortgages**

On March 16th, 2020, the French President announced, during a public conference, that a "State guarantee of 300 billion euros" program to secure loans granted by banks to companies will be set up to cope with the economic and financial crisis resulting from the Coronavirus. However, the scope and effects of this measure had yet to be defined by the French government and the French Parliament.

On March 23<sup>rd</sup>, 2020, the French Parliament adopted the amendment to the French budget law for 2020 (*loi n° 2020-289 du 23 mars 2020*) (the "Law") implementing a State guarantee program (the "Guarantee") to secure loans granted by banks to companies during the crisis period created by the expansion of Covid-19. The scope of the Law is broad and it entitles duly licensed credit institutions (*établissements de crédits*) and financing companies (*sociétés de financement*) (the "Financial Institutions") to benefit from a guarantee issued by the State to secure loans granted by them to French companies from March 16, 2020 (inclusive) to December 31, 2020 (inclusive). A decree (*arrêté du 23 mars 2020, JORF n° 0072 du 24 mars 2020*) (the "Decree") supplements the specifications of the Guarantee, in particular the terms and conditions of exercise of the Guarantee.

In order for the Guarantee to be eligible to a Financial Institution, such Financial Institution will have to ensure that the borrower is a legal entity or natural person registered in France, including artisans, merchants (*commerçants*), farming businesses, independent professions (*professions libérales*) and micro-entrepreneurs, as well as associations and foundations with an economic activity relating to social economy, with the exception of non-trading real estate companies (*sociétés civiles immobilières*), credit institutions or financing companies and that such company is not subject to any insolvency proceedings as defined in Sections II, III and IV of Book VI of the French Commercial Code (i.e. a safeguard proceedings, a rehabilitation

	<p>proceedings or a liquidation proceedings) (a "Qualified Company").</p> <p>The provisions of the Law set out that the purpose of the Guarantee is to secure due payment of amounts owed to Financial Institutions under a loan (principal, interests and ancillary fees, costs and expenses) extended to a Qualified Company, provided that certain requirements are met.</p> <p>In addition, the benefit of the Guarantee is also dependent upon certain requirements and characteristics of the relevant loan agreement being met.</p> <p>The Guarantee will guarantee only a part of the outstanding amounts due and payable under the relevant (in principal, interest and ancillary fees, costs and expenses).</p>
<b>Employment measures</b>	<p>Exceptional job retention/short-time work scheme is effective as follows:</p> <ul style="list-style-type: none"> <li>- Eligibility of the scheme to employees paid though not working while on their place of work. The hours paid to these employees ("<i>heures d'équivalence</i>") will be taken into account to calculate the indemnities and the grant for partial activity. The scheme will retain to appreciate the reduction of working time in the framework of the partial activity the working time considered as equivalent and not the legal working time.</li> <li>- Eligibility to the scheme of state owned companies (e.g.; utility companies) employees.</li> <li>- Eligibility &amp; financial guarantee for part-time employees, apprentices and employees under professional contracts.)</li> <li>- Training courses agreed by employers after March 28,2020 will no longer benefit from the payment of the additional indemnity for partial activity from 70% to 100% applied to this date.</li> <li>-Possibility for employers to impose partial activity to protected employee (staff representatives) without requiring his/her approval, provided the partial activity measures apply collectively.</li> <li>-Eligibility as well for employees on a working time per day basis (pro rata basis)</li> <li>-Eligibility to the scheme for foreign companies. Foreign companies with no establishment in France but employing one employee at least on the French territory will be eligible to the scheme provided said employer contributes to usual French pay roll taxes.</li> </ul>
<b>Tax aspects</b>	<p>The French Government provided details about the social and tax measures on March 17, 2020, further to concerns raised by French companies.</p> <p>Confirmation of the granting of deferred payment deadlines regarding all tax and social security payments for all companies that wish to benefit from them, without penalties nor justification.</p> <p>This measure providing for the suspension of the short-term deadlines is a key-measure of the French Government as it deals with the current period of tax and declarative deadlines in which the Covid-19 epidemic has occurred. Several actions have been announced in this respect to support French companies:</p> <p>1- All companies will benefit from a deferral of the social security and tax debts, without needing any prior approval, the associations being also in the scope of this measure (associations having employees in particular). However, <u>it will be not automatically granted</u>: companies will have to ask the Corporate Tax Service ("<i>Service des Impôts des Entreprises</i>" - SIE) or the URSSAF which they depend on, either the postponement of the payment deadline or the reimbursement of the corresponding charges if they were already paid. For this purpose, the automatic bank transfer may be blocked beforehand or, failing this, a request for reimbursement must be sent to the SIE. No deadline is provided for this postponement or reimbursement. However, the issue relating to the granting of tax relief or cancellation of charges seems to be delicate to address for the French Government, which evoked a "<i>case-by-case</i>" treatment for the companies that would be the most impacted or threatened with bankruptcy. Similarly, the uncertainty of many businesses as to whether they can defer VAT payments is resolved: everything except VAT. As companies are only collectors of this tax, they cannot use it for their own cash-flow needs. Likewise, regarding the pay-as-you-earn (PAYE - <i>Prélèvement à la source</i>) tax which is collected by employers. This position is not surprising for the practitioners that we are, but it confirms that the French tax authorities might keep opposing their principles to taxpayers, regardless of their situation...</p> <p>2- Possibility to defer the deadline regarding the social security contributions, initially scheduled for March 15th and April</p>

	<p>5th: possibility already announced to postpone all or part of the employee and employer contributions up to 3 months without penalties, by the mere amendment of the amount mentioned on the DSN declaration, which can be lowered to 0 until March 19th at noon (exceptional deadline);</p> <p>3- Abolition of the deadline scheduled for March 20th for self-employed workers: The recovery will be smoothed over the following deadlines from April to December according to the situation. For the self-employed people, it will also be possible to request payment deferral even in advance, as well as an updated timetable according to the decrease in their income further to the epidemic;</p> <p>4- Possibility to defer the Corporate Income Tax (CIT) payment deadline scheduled for March 16th without justification nor any formality: the automatic bank transfer must be blocked or, failing this, a request for reimbursement must be sent to the SIE;</p> <p>5- Possibility to defer the payment of the CFE and property tax: the amount will be deferred on the balance.</p> <p>Any tax intervention made before the 22nd of the month will be taken into account as from the following month.</p>
<b>Rental payments</b>	<p>The coronavirus will be "<i>considered as a force majeure event for companies</i>", said the Minister of Economy and Finance, Bruno Le Maire on Friday 28 February (&amp; he clarified his position regarding public contracts concluded by the State). However, should we consider that, in internal or international commercial contracts intended to be executed in France, a party will be able to suspend or terminate its obligations on such ground? The question is of course critical in view of large or small events being cancelled, in the case of current or foreseeable disruptions in supplies or also in the case of reduced number of visitors to shops causing very significant drops in sales.</p> <p>The companies will have to review their contracts and verify the drafting of the force majeure clause they contain, if any. Although French law provides a definition of force majeure in Article 1218 of the Civil Code, parties are free to adapt it: modification of the definition, list of examples, whether it is restrictive or not. Article 1351 of the Civil Code even provides for the case where the debtor of an obligation would have agreed to assume responsibility for the performance of the contract in the presence of a force majeure event, thus renouncing the right to rely on it, which is nevertheless relatively rare in practice.</p> <p>In any event, in the present context, it will indeed be necessary to analyze all contracts on a case-by-case basis (including leases).</p>
<b>Regulatory filings or company registrations</b>	<p>N/A except in relation to the following (&amp; subject to corporate comments below).</p> <p>With regard to public contracts, article 11 of the Covid-19 Act allows the Government to adapt by ordinance "<i>the rules for awarding, delays for payment, performance and termination, in particular those relating to contractual penalties, set in the public procurement code, as well as the provisions of public contracts having such a purpose</i>".</p> <p>On these grounds, the Government adopted Ordinance no. 2020-319 of 25 March 2020 <i>on various measures for adapting the rules for the award, procedure or execution of contracts subject to the Public Procurement Code and public contracts not covered by it during the health crisis caused by the covid-19 epidemic</i> (the " Ordinance on Public Procurement and Covid-19 "). This Ordinance is applicable until the end of the state of health emergency, extending by an additional two-month period.</p> <p>This ordinance will provide legal grounds to several existing solutions, the statements made by the Government as well as the numerous press releases published by the various State departments, in particular the State Purchasing Department (the "SPD") and the Legal Affairs Department (the "LAJ").</p> <p>The Government has also adopted two other ordinances likely to impact public procurement contracts: one concerns the extension of deadlines and the other concerns the organization of administrative jurisdiction during the health crisis..</p>
<b>Insolvency laws</b>	<p>The ordinance 2020-316 of 25 March 2020 provides for suspension of payments of water, gas and power bills and inapplicability of certain lease agreements provisions for very small enterprises facing economic hardship.</p> <p>It is also worth recalling the existence of preventive procedures which make it possible, through dialogue, to remedy difficulties by postponements,</p>

	<p>rescheduling, moratoria and emergency financing, before a situation of <i>cessation of payments</i> is reached.</p> <p>The government has temporarily adapted the Insolvency Law by ordinance No. 2020-341 of 27 March 2020 (that applies to ongoing proceedings). Thus, until the expiry of a period of three months after the end of the health emergency period, the situation of <i>cessation of payments</i> will be assessed in consideration of the situation of the debtor on 12 March 2020.</p> <p>This will allow companies to benefit from conciliation or safeguard proceedings, even if, after 12 March and until 23 August 2020, they find themselves in a situation of <i>cessation of payments</i>. This legal disposition does not prevent the debtor from requesting the opening of receivership or liquidation proceedings, or the benefit of professional recovery.</p> <p>Furthermore, the ordinance extends several time limits relating to the Insolvency Law:</p> <ul style="list-style-type: none"> <li>- the legal duration of the conciliation proceedings is automatically extended by a period equivalent to the duration of the health emergency period plus three months.</li> </ul> <p>Moreover, the legal dispositions imposing a three-month waiting period to open a new conciliation are not applicable until at least 24 August 2020. It will therefore be possible, during this period, to chain several conciliation proceedings.</p> <ul style="list-style-type: none"> <li>- the duration of the observation period is extended for a period equivalent to the health emergency period plus one month;</li> <li>- the duration of the safeguard and recovery plans is extended automatically for a duration equivalent to the health emergency period plus one month, and, for a longer period at the request of the commissioner for the execution of the plan or the public prosecutor's office.</li> </ul> <p>Finally, the ordinance provides for a relaxation of formalities until the expiry of a period of one month after the end of the health emergency period.</p>
<p><b>Corporate activities and officers duties</b></p>	<p>In view of the exceptional situation that necessarily impacts the organization of future annual general meetings of French companies, an emergency law enables the Government to take any measure by means of ordinances:</p> <ul style="list-style-type: none"> <li>- « <i>Simplifying and adapting the conditions under which meetings and collective management bodies of legal persons governed by private law and other entities meet and deliberate, as well as the rules relating to general meetings.</i> »</li> <li>- « <i>Simplifying, specifying and adapting the rules relating to the drawing up, approval, auditing, review, approval and publication of accounts and other documents that legal persons governed by private law and other entities are required to file or publish, in particular those relating to time limits, as well as adapting the rules relating to the allocation of profits and the payment of dividends.</i> »</li> </ul> <p>As the above-mentioned draft ordinance stands, these measures concern mainly:</p> <ul style="list-style-type: none"> <li>- The possibility of holding meetings without the "physical presence" of partners, shareholders or members, by decision (in the case of companies) of the collective management body or the manager. However, the shareholders, partners or members will continue to be able to exercise their other rights under the conditions applicable to each corporate form (in particular the right to ask questions or to propose the inclusion of amendments or new resolutions). Practitioners point out, however, that listed companies that are currently encouraging their shareholders to exercise their voting rights by using remote electronic voting or proxy voting cannot organise a real-time debate because they cannot check the shareholder status of the person who logs on during the meeting. Consequently, discussions are currently underway on the need to adjust these other rights in the absence of a debate during the meeting.</li> <li>- The extension to all corporate forms - without the need for a clause of the by-laws and including in relation to the annual meeting to approve the accounts - of the possibility of attending the meeting by videoconference or by means of telecommunication that guarantee identification and effective participation, transmitting at least the voice of the participants and satisfying technical characteristics that allow the continuous and simultaneous retransmission of the deliberations. In practice, this procedure may be used by companies that have the technical means enabling them to organize dematerialized meetings that meet the above -</li> </ul>

	<p>mentioned requirements.</p> <ul style="list-style-type: none"> <li>- The extension of the use of written consultation for the adoption of collective decisions in civil partnerships (<i>sociétés civiles</i>), general partnerships (<i>sociétés en nom collectif</i>), limited partnerships (<i>sociétés en commandite simple</i>) and limited liability companies (<i>sociétés à responsabilité limitée</i>) (including, for the latter, with regard to the approval of accounts, the signing of a private deed being also possible).</li> <li>- The extension, for the boards of directors and supervisory boards of public limited companies (<i>sociétés anonymes</i>), to decisions relating to the preparation or examination of the annual accounts, of the possibility of adopting them by means of videoconferencing and telecommunication, without the need for a provision of the by-laws or the internal regulations and notwithstanding any clause to the contrary. However, the extension of the use of written consultation for these decisions is not provided for at this stage.</li> </ul> <p>In the case of companies whose shares are admitted to trading on a regulated market or a multilateral trading facility and which have already carried out some or all of the formalities for convening their shareholders' meeting before the management body decides to use one of the more flexible meeting procedures referred to above and thus to change the arrangements for participation in this meeting convened, a transitional regime has been defined by specific regulations.</p>
<p><b>Any other measures of note</b></p>	<p>Even in a crisis situation, any data controller should consider and ensure the lawfulness of the processing of personal data that it wishes to carry out. The data controller may only process personal data based on one of the lawful grounds provided for by the General Data Protection Regulation ("GDPR" - Article 6) and, in case of sensitive data (such as health data), if it can rely on one of the exceptions to the prohibition on processing sensitive data provided for by the GDPR (Article 9).</p> <p>Many data controllers, such as employers, wish to collect (e.g. by means of a questionnaire) personal data of any person accessing their premises (including employees, visitors, consultants, etc.) and, in particular, data relating to the dates and destinations of business and personal trips since the beginning of the epidemic, any symptoms possibly experienced by the persons concerned or their relatives (e.g. fever).</p> <p>Caution is therefore required on this subject and the systematic and generalised collection of health data by private entities open to the public (including employees) should be prohibited. This may be confusing for employers who, under Article L4121-1 of the French Labour Code, are required to take the necessary measures to ensure employees' safety.</p> <p>The French data protection authority (CNIL) published on 6 March 2020, its recommendations concerning the processing of personal data in connection with the coronavirus health crisis. The CNIL confirms that "<i>employers should refrain from collecting information relating to the research and detection of possible symptoms experienced by an employee/agent and his/her relatives, in a systematic and generalized manner, or through individual investigations and requests</i>".</p>

## Germany – Noerr

Link to COVID-19 briefing/updates page: <https://www.noerr.com/de/landingpages/im-fokus-coronavirus>

# Noerr

### Financial support to companies

The German government has set up financial aid for businesses, in particular through existing and new liquidity assistance programs. Further, an 'Economic Stabilisation Fund' (ESF) has been established to provide rapid and targeted large-volume support measures to stabilize the economy.

#### A. Economic Stabilisation Fund

The ESF has been equipped with the following financial stabilisation measures:

- Granting guarantees of up to EUR 400 billion to facilitate recapitalisation and refinancing by companies at the capital market;
- granting loans of up to EUR 100 billion to ensure solvency of companies; and
- granting loans of up to EUR 100 billion to refinance KfW loan programs (see below).

Eligible are companies that have exceeded 2 of the following 3 characteristics in two consecutive financial years prior to 1 January 2020:

- Balance sheet total of EUR 43 million;
- turnover of EUR 50 million; or
- an annual average of 249 employees.

The programs are not available for companies which were already "in difficulty" before 31 December 2019. The decision on the application takes into account, i.a., the applicant's relevance for the German economy.

#### B. Loan programs by KfW - "KfW Entrepreneur Loan (037)", "ERP Start-Up Loan – Universal (073)"

Under the loan program, the German state-owned development bank *Kreditanstalt für Wiederaufbau* ("KfW") facilitates the provision of loans by providing indemnification to banks in an amount of up to 90% of the loan for SMEs (pursuant to the EU definition) and up to 80% for all other companies. The loans have a maturity of up to 5 years with a maximum amount of EUR 1 billion per group, depending on further defined liquidity needs. Eligible are companies of any size with business seat in Germany which have, under the assumption of an overall economic situation returning to normal, a positive going-concern forecast and proof of full financing in 2020.

#### C. Loan funding via KfW - Direct participation for syndicated loans ("*Direktbeteiligung für Konsortialfinanzierung (855)*")

KfW participates in syndicated loans together with private banks to provide larger loans for investments in Germany. KfW assumes up to 80% of the risk, but no more than 50% of the total debt of the company. KfW's share of the risk must be at least EUR 25 million. Eligible are domestic and foreign companies, which have, under the assumption of an overall economic situation returning to normal, a positive going-concern forecast and proof of full financing in 2020. Companies must be majority-owned by private parties. The term of participation is limited to 6 years.

#### D. Immediate corona aid for micro-enterprises and self-employed individuals ("*Corona-Sofort-Hilfe für Kleinunternehmen und Soloselbständige*")

Immediate federal aid in the form of single payments of up to EUR 15,000 depending on the headcount. Eligible are self-employed individuals and micro-enterprises with up to 10 employees who are affected by the COVID-19 pandemic, whose operation or management is located in Germany and who are registered with a German tax office.

#### E. State program for start-ups

Support measures for start-ups worth EUR 2 billion have been adopted which include:

- Public venture capital investors at fund-of-funds and individual fund level will receive additional public funds for co-investments with private investors in start-up financing rounds;

	<ul style="list-style-type: none"> <li>• fund-of-funds investors KfW Capital and European Investment Fund will be enabled to take over shares of failing fund investors with additional public funding; and</li> <li>• young start-ups without venture capitalists as shareholders and small mid-sized companies will receive support in assuming venture capital and equity-replacing financing.</li> </ul> <p><b>F. Large State Guarantee Program (<i>Großbürgschaftsprogramm</i>)</b> Under the guarantee program by the German Ministry for Economic Affairs and Energy loans for investments are secured, if the requirement for security exceeds EUR 50 million (or EUR 20 million in structurally weak regions). The guarantee covers up to 90% of the overall loan amount and is available for by majority privately held companies with a sustainable business concept, having their business seat in Germany.</p> <p><b>G. Grants, guarantees and loan programs established on domestic state level (<i>Bundesländer</i>)</b> Most federal states (<i>Bundesländer</i>) have set up support schemes or emergency aid measures for MSMEs and self-employed.</p> <ul style="list-style-type: none"> <li>• Subsidies vary between EUR 5,000 and EUR 50,000 often depending on the number of employees.</li> <li>• Guarantees for financing cover up to 80% of the risk or up to EUR 5 million (e.g. Bavaria, Hesse).</li> <li>• Loan programs have been set up in various amounts.</li> </ul>
<b>Moratoria on debts or mortgages</b>	<p><b>A. Loan Agreements</b> Payment obligations of consumers effected by the COVID-19 pandemic being a party to a loan agreement that was concluded before March 15, 2020 and that become due between 1 April and 30 June 2020 become due three months later.</p> <p><b>B. Long Term Agreements (other than leases, employment agreements, loans)</b> Until 30 June 2020, MSMEs are given a general right to refuse performance under certain long-term contracts concluded before 8 March 2020 if</p> <ul style="list-style-type: none"> <li>• the enterprise is unable to render the performance due to circumstances caused by the COVID-19 pandemic, or</li> <li>• if rendering the performance would jeopardise the economic basis of its business.</li> </ul> <p>The long-term contract must be regarded as essential, i.e. provide for services necessary for the appropriate continuation of the enterprise's business. The exemption does not apply to lease, usufructuary lease, loan (for each of those, there are specific provisions) or employment agreements, and in case the refusal is unreasonable for the creditor, since not rendering performance would jeopardise its adequate livelihood or the economic basis of its business.</p>
<b>Employment measures</b>	<p><b>A. Short-Time Work</b> Companies may reduce working hours and the payable wage by ordering short-time work (if appropriate 'down to zero'). The gap between the regular wage and the wage paid during short time work is compensated by at least 60% and up to a maximum of EUR 6,900 per employee per month.</p> <p><b>B. Deferral of social security payments</b> Social security payments may be deferred until 30 April 2020 if immediate payment would entail considerable (financial) difficulties for the company. Application must be submitted to the relevant health insurer.</p>
<b>Tax aspects</b>	<p>The following tax reliefs in favour of taxpayers who are verifiably, directly and not insignificantly affected by the COVID-19 pandemic have been introduced:</p> <ul style="list-style-type: none"> <li>• Deferral of specific tax payments (e.g. German income and corporate income taxes) due and becoming due by 31 December 2020, whereby deferral interest will normally be waived;</li> <li>• reductions of certain tax advance payments by the end of 2020 (e.g. German income, corporate income and trade taxes);</li> <li>• temporary waiver of enforcement measures until 31 December 2020; and</li> <li>• remission of some late-payment penalties regarding the time period from 19 March 2020 until 31 December 2020.</li> </ul> <p>Moreover, some federal states (e.g. Bavaria and North Rhine-Westphalia) have recently introduced – upon application – extended deadlines for the filing of the monthly wage tax declarations in respect to the key date 10 April 2020 for up to two months.</p>
<b>Rental payments</b>	<p>The obligation to pay rent as such remains in place and is enforceable. However, between April and June 2020, tenants unable to pay rent due to the Covid-19 pandemic may not be terminated for these rent arrears. As of July 2022, termination of the lease due to rent arrears accumulated during this period due to the Covid-19 pandemic will be possible again. This applies to all commercial and private lease agreements.</p>

<b>Regulatory filings or company registrations</b>	<p>No exemption from filing requirements in regards to annual accounts.</p> <p>In case of reorganisations (conversion, spin-off, merger) the balance sheet to be submitted may be as of a date which is 12 months preceding the date when the application for reorganisation of the conversion is filed for registration with the commercial register.</p> <p>Regarding the obligation to file for insolvency see below under <i>Insolvency Laws</i>.</p>
<b>Insolvency laws</b>	<p>The obligation to file for insolvency is suspended until 30 September 2020 if insolvency is due to the Covid-19 pandemic; term may be prolonged until 31 March 2021. During suspension, the prohibition of payments is loosened enabling the management to maintain orderly business operations.</p> <p>Lenders do not have to fear liability for immoral involvement in any delayed filing for insolvency if new loans are granted during the suspension period.</p> <p>Insolvency claw-back rights are considerably restricted: This applies in particular to the repayment of new loans granted during the suspension period and the collateral provided to secure these loans during the suspension period, but also to congruent and certain incongruent performance in general, irrespective of the type of underlying contractual relationship.</p>
<b>Corporate activities and officers duties</b>	<p>In particular, the following temporary simplifications in relation to corporate activities have been adopted:</p> <ul style="list-style-type: none"> <li>• In 2020, public companies (AG, KGaA, SE) may hold general meetings virtually. The annual general meeting (for purposes of, i.a., accepting the annual accounts and resolving on the appropriation of net income) does not need to take place in the course of the first eight (8) months of the financial year, but may be deferred until the end of the financial year.</li> <li>• Shareholders resolutions of GmbHs may be adopted in text form or by written casting of votes even without the consent of all shareholders.</li> <li>• Further simplifications apply for the adoption of resolutions by various bodies of cooperatives, associations and apartment owners' associations.</li> </ul>
<b>Any other measures of note</b>	<p>The German government has introduced a draft law with an aim to further tighten the review of foreign investments into Germany, including lowering the requirements for interventions and introducing a closing prohibition. According to our sources, the government has further, COVID-19 pandemic-related measures in the pipeline as e.g. new notification requirements and stricter rules in the health sector. These may be imposed by way of regulation very shortly. Finally, we expect the government to introduce even more restrictions when imposing the requirements of the EU Screening Regulation by October 11,2020.</p>

## Italy – Gianni, Origoni, Grippo, Cappelli, & Partners

Link to COVID-19 briefing/updates page: <http://www.gop.it/?lang=eng>



### Financial support to companies

#### Financial Support

Law Decree n. 18 of 17 March 2020 (“**Cura Italia**”) provides that Italian-based small and medium-sized enterprises having (i) less than 250 employees; and (ii) annual turnover not exceeding €50 million and/or a total annual balance sheet not exceeding €43 million (each, a “**SME**”), can benefit from the following financial support measures:

- (a) short-term overdraft facilities and commercial bank lines existing as of February 29, 2020: the outstanding credit lines (including the facility made available and not drawn down) shall not be revoked (neither in full nor in part) until September 30th, 2020;
- (b) bullet loans with contractual maturity date falling before September 30th, 2020: such agreements can be extended, together with the relevant ancillary agreements, automatically without any formality, until September 30th, 2020, under the same conditions originally agreed;
- (c) amortizing loans and other amortizing facilities: the payment of instalments or lease payments due before September 30th, 2020 shall be suspended until that date and the relevant repayment schedule shall be automatically extended without further formalities, and without new or additional charges to be borne by any parties; the requesting SME may also demand the sole suspension of principal payments (i.e. interest payments are not suspended);
- (d) guarantee in favour of banks and other authorized intermediaries which have granted the moratorium/guarantee funds for SMEs. Such guarantees cover up to 33% of the support measures taken in favour of the SMEs financed by banks.

Law Decree no. 23 of 8 April 2020 (“**Liquidity Decree**”) has introduced new measures to reduce the negative economic and social impacts of the COVID 19 emergency and support companies' liquidity. Under the newly introduced support regime (i) SACE S.p.A. (“**SACE**”) can issue guarantees in the interest of companies based in Italy affected by the COVID-19 epidemic, and (ii) a new temporary framework for guarantees issued by Central Guarantee Fund for SME (Fondo centrale di garanzia per le PMI) is enacted.

The Guarantee is issued subject to certain conditions, including:

1. loans with maturity date falling no later than 6 years after the execution of the loan agreement;
2. as at 31 December 2019, the beneficiary enterprise must not fall within the category of "distressed companies" under the Commission Regulation (EU) no. 651/2014 of 17 June 2014, Regulation (EU) no. 702/2014 of 25 June 2014 and Regulation (EU) no. 1388/2014 of 16 December 2014 ;
3. on 29 February 2020, the debt exposures of the enterprise were not classified as non-performing exposures under the applicable European legislation;
4. the amount of the loan secured by the Guarantee does not exceed the higher of the following amounts: (i) 25% of the annual turnover in 2019, as resulting from the financial statements (or tax declaration); and (ii) twice the employment costs borne in 2019, as resulting from the latest financial statements (or audited data if the enterprise has not approved its financial statements yet).

The Guarantee, at the same level and proportional loss sharing between the guarantor and the guaranteed entity, covers the following amounts:

1. 90% of the amount of the loan, for business with less than 5,000 employees in Italy and with a turnover up to EUR 1.5 billion;
2. 80% of the amount of the loan, for businesses with a turnover from EUR 1.5 billion to EUR 5 billion or with more than 5,000 employees in Italy;
3. 70% of the amount of the loan, for businesses with a turnover of more than EUR 5 billion.

To benefit from the Guarantee, the business must pay annual fees, ranging from 25 to 200 basis points depending on the duration of the financing and the size of the business. In addition, the Guarantee is issued subject to the following commitments which must be assumed by the beneficiary:

1. no dividend distribution or shares buyback (riacquisto di azioni) may be approved by the beneficiary (as applicable), or by any other business with registered office in Italy belonging to the same group, in 2020;

	2. the beneficiary of the Guarantee must manage any redundancies through agreements with Trade Unions.
<b>Moratoria on debts or mortgages</b>	Cura Italia provides that SME with registered office in Italy <u>are entitled</u> to request to banks, financial intermediaries, and to any other entity authorized to carry out lending activities in Italy, to apply, <i>inter alia</i> , the following financial support measures (i) with respect to short-term overdraft facilities and loans granted as advance payments of receivables existing as of 29 February 2020, the outstanding credit lines (including the facility made available and not drawn down) cannot be revoked (neither in full nor in part) until September 30 <sup>th</sup> , 2020; (ii) the extension until September 30 <sup>th</sup> , 2020 of the maturity date of bullet loans with contractual maturity date falling before 30 September 2020, together with the relevant ancillary agreements, automatically without any formality, under the same conditions originally agreed; and (iii) with regard to amortizing loans and other amortizing facilities, the suspension of the payment of instalments or lease payments due before September 30 <sup>th</sup> , 2020 until September 30 <sup>th</sup> , 2020, and the automat extension, without further formalities, and without new or additional charges to be borne by any parties, of the relevant repayment plan; (the requesting SME may also demand the sole suspension of principal payments (i.e. interest payments are not suspended)).
<b>Employment measures</b>	Simplified rules and procedures for ordinary and exceptional social shock absorbers, which generally grant the employees 80% of the remuneration for non-worked hours and include, <i>inter alia</i> : (i) C.I.G.O. (“Cassa Integrazione Guadagni Ordinaria”) which can be benefitted from employers carrying out industrial activities; (ii) F.I.S. (“Fondo Integrazione Salariale”) and Sector Funds which can be benefitted from employers registered within a specific fund created within INPS; (iii) C.I.G.D. (“Cassa Integrazione Guadagni in Deroga”) which can be benefitted from employers who do not qualify to access to any other social schemes. Allowance of €600 for March 2020 granted to collaborators and self-employees, as well as for workers of specific sectors (touristic, agricultural and entertainment). Grants of parental leaves and related allowances for employees and self-employees due to the school closure. Additional days of leaves for protected categories.
<b>Tax aspects</b>	Cura Italia provides for possibility of conversion of deferred tax assets related to the sale occurring prior to Dec. 31, 2020 of at least 90 days unpaid receivables in to tax credit eligible to the set off against tax liabilities. Moreover, payment of withholding taxes and VAT due in March and April 2020, to be made by persons operating in specific business sectors as well as withholding tax obligations on salaries and wages to be made by small taxpayers are suspended until May 31st, 2020.  Liquidity Decree also provides that taxpayers who: (i) have their tax domicile, legal seat or place of effective management in Italy; (ii) are engaged in a business, artistic or professional activity; (iii) with respect to fiscal year 2019, have registered gross profits not exceeding Euro 50 million; and (iv) in March and April 2020 have suffered a decrease of their gross profits of, at least, 33% compared with March 2019 and April 2019; can benefit from a suspension of the following tax payments due in April and May 2020: a) withholding taxes on employment income (and income assimilated to employment income, under Italian tax law) with respect to direct taxes as well as regional and municipal surtaxes; b) VAT payments; c) social security payments; d) mandatory insurances premium payments
<b>Rental payments</b>	Cura Italia clarified that any delay to perform a commercial agreement or breach of the agreement due to compliance with the restrictive measures would be excused and, therefore, the delay would exclude the application of any penalty. Moreover, grants of tax credits equal to the 60% of the March rentals of shops and equal to 50% of the costs of sanitizations of the work environments.
<b>Insolvency law</b>	Postponement to September 2021 of the entry into force of the new Insolvency Code (e.g. directors’ obligations to establish alert mechanisms to forecast and anticipate the crisis).  Six months deferral for the performance of any composition agreement with creditors and approved (omologati) restructuring agreements, which expire between 23 February 2020 and 31 December 2021.  In addition in any proceedings for the approval of the composition agreement with creditors or restructuring agreements already pending on 23 February 2020, the debtor may ask the Court to obtain an additional term of up to ninety days for the filing of a new plan and a new proposal for a composition with creditors; 3. Possibility to modify the deadline for the implementation of the composition agreement with creditors or the restructuring agreements, until the hearing for the

	<p>approval (omologa);</p> <p>Possibility to obtain an extension of up to 90 days: (i) in the event that a term has been granted under article 161, paragraph 6, of the Italian Bankruptcy Law and already extended by the Court, and also in the event that an application for bankruptcy has been filed; (ii) in the event that a term has been granted under article 182 bis, seventh paragraph, of the Italian</p> <p>Liquidity Decree provides for the inadmissibility of any filings:</p> <ol style="list-style-type: none"> <li>1. for bankruptcy under article 15 of Italian Bankruptcy Law;</li> <li>2. for insolvency (dichiarazione dello stato di insolvenza) before the administrative compulsory liquidation under article 195 of the Italian Bankruptcy Law;</li> <li>3. for the declaration of insolvency (dichiarazione dello stato di insolvenza) prior to extraordinary administration under Legislative Decree No. 270/1999, which have been filed between 9 March 2020 and 30 June 2020.</li> </ol> <p>The introduction of this extraordinary rule is justified by the fact that, in the current macroeconomic scenario, insolvency may derive from external and extraordinary factors. The rule refers to the "inadmissibility" (improcedibilità) without clarifying whether the proceedings started after 9 March and still pending on the date of entry into force of the rule are only suspended until the end of 30 June 2020, or whether they should be declared extinct. Any bankruptcy requests or compulsory administrative liquidation and extraordinary administration proceedings filed between the entry into force of the Liquidity Decree and 30 June 2020, are, without any doubt, completely inadmissible</p>
<b>Regulatory filings or company registrations</b>	<p>Suspension of (i) tax reporting and compliance, (ii) tax audit, assessment, collection, and litigation, and (iii) payments of debts entrusted to the collection agent.</p> <p>Consob granted intermediaries a 60 days extension for the filing of reports on services and on their organisational structure. Issuers will be allowed to delay the approval of the 2019 financial statements as well as to convene meetings remotely.</p> <p>No relaxation of legal obligations for the Companies' Register and Antitrust authorities.</p>
<b>Corporate activities and officers duties</b>	<p>For listed companies, it has been required an immediate adoption by Board of Directors of an action plan, being it appropriate a constant track record of the company's performance and of the activities carried out in order to safeguard its value and to protect the claims of its creditors.</p> <p>Liquidity Decree provides that, during any financial years ending on or before 31 December 2020, companies are not obliged to reduce and/or increase the share capital as required by the Italian civil code in the event of losses which (i) reduce the company's share capital by more than one third or (ii) cause the share capital to fall below the minimum capital required by law. During the same period, the causes of dissolution do not apply. Therefore, companies are not obliged to vote on their voluntary liquidation. This measure aims to avoid that, due to the probable losses caused by the pandemic and the lockdown of production activities, directors are obliged to ask the company to be put into liquidation. It is indeed predictable that the sudden drop in revenues which many companies will experience in 2020 may lead to significant losses, which may trigger the undercapitalization thresholds for which the Italian civil code requires measures to be taken by promptly reducing and, if necessary, increasing, the share capital, or to ask for liquidation. This rule applies if the circumstances occur during the financial years ending on or before 31 December 2020. Therefore, it applies also to any losses caused by the write down or depreciation of assets because of the COVID-19 pandemic, reported in the financial statements for any previous years.</p> <p>Liquidity Decree also provides for the non-applicability of the subordination of shareholders loans and intra-group loans, with reference to loans made until 31 December 2020. These articles provide that, in the event loans are granted by the shareholders and/or by other group companies under centralized "management coordination activity", the repayment of such loans is subordinated to the repayment of the other creditors if the beneficiary of the loan was in a financially unbalanced situation and/or would have reasonably required an equity injection. This rule therefore allows these entities, which are likely to be the most immediate funding entities, to make loans to the company without being exposed to the subordination risk on such a loan. It is clearly a rule aimed at promoting such forms of financings in the current emergency phase.</p> <p>Companies may also call the shareholders' meeting for the approval of the financial statements within the longer term of 180 from the relevant reference date.</p>
<b>Any other measures of note</b>	<p><b>Lock-down.</b> Government ordered the lockdown until May 3rd, of those entities that carry out non-essential business.</p> <p><b>Golden Power and Court activities</b> Liquidity Decree has introduced significant changes to the so-called "golden power rules" and to the disclosure duty of relevant shareholdings in listed companies. These rules are aimed at discouraging "predatory purchases" of Italian strategic and listed companies in times when their share price may be particularly depressed due to the COVID-19 emergency.</p> <p>Postponement of all civil, criminal, tax and administrative hearings (with some exceptions), until May 11<sup>st</sup>, 2020 by Government provision.</p>

## Luxembourg – Arendt & Medernach



<p><b>Financial support to companies</b></p>	<ul style="list-style-type: none"> <li>- Capital grant advances: Ministry of the Economy grants financial aid up to 500,000 euros in the form of a repayable advance to cover operating costs of all companies.</li> <li>- Relaxation of repayment conditions for SNCI (Société Nationale de Crédit et d'Investissement) loans and credit: The SNCI suspends principal repayment at March 31 and June 30 maturities for direct and indirect loans.</li> <li>- State-backed guarantee facility for new bank loans to SMEs and large corporates up to a maximum of 6 years: The Ministry of Finance guarantees new bank credit lines, for which the State guarantees up to 85% for a total amount of 2.5 billion euros.</li> <li>- “Special Anti-Crisis Financing” via companies’ banks and SNCI: Clients’ banks together with the SNCI cover financing needs in the context of the current crisis through indirect loans ranging between 12,500 and 16 million euros.</li> <li>- Financing over a 5 year period to the “Mutualité des PME” and the “Mutualité de cautionnement”: the SNCI enables the mutual societies of the professional chambers to extend guarantees provided to SMEs.</li> <li>- “SME Guarantee**” in cooperation with banks active in corporate financing: the SNCI provides guarantees for obtaining new working capital lines from banks.</li> </ul>
<p><b>Moratoria on debts or mortgages</b></p>	<p><b>Suspension payment of debts</b></p> <ul style="list-style-type: none"> <li>- Moratorium on loan repayments offered by certain banks: The Ministry of Finance and several banks postpone the repayment of loans to better cope with cash-flow difficulties.</li> <li>- Relaxation of repayment conditions for SNCI loans and credit: the SNCI suspends principal repayment at March 31 and June 30 maturities for direct and indirect loans.</li> </ul>
<p><b>Employment measures</b></p>	<ul style="list-style-type: none"> <li>- Increased flexibility in the payment of social security contributions: In light of the impact of Covid-19 on companies and independents in Luxembourg, the Social Security Centre (CCSS) and the Ministry for Social Security have introduced a series of measures. From now on, the CCSS will put in place the following temporary measures as of 1 April 2020:             <ul style="list-style-type: none"> <li>-suspension of moratory interest calculations on payment delays;</li> <li>-suspension of start of proceedings for forced repayment of contributions;</li> <li>-suspension of procedures involving bailiffs;</li> <li>-suspension of fines to employers for delays in declarations to the CCSS.</li> </ul> </li> <li>- Short-term employment due to force majeure: The aim of this measure is to avoid redundancies by ensuring that 80% of salaries are paid by the State via an accelerated procedure allowing the payment of advances.</li> <li>- Payment of an advance on extraordinary family leave: The Social Security Centre (CCSS) will pay an advance partial reimbursement of salaries that employers must continue to pay to the parents concerned.</li> <li>- Work from home for employees of CSSF regulated entities: The CSSF has communicated that supervised entities (including entities subject to professional secrecy) must prioritise remote access from home over any other alternative (including working from backup sites).</li> </ul>
<p><b>Tax aspects</b></p>	<p><b>Tax payment deadlines extension</b></p> <p>Companies and self-employed individuals deriving their income from a commercial, agricultural, forestry, or liberal profession and experiencing liquidity problems</p>

	<p>as a result of the COVID-19 pandemic may submit a request to the tax authorities for the following:</p> <ul style="list-style-type: none"> <li>- 1.The cancellation of quarterly (corporate) income tax advances and municipal business tax advances for Q1 and Q2 2020 (form accessible here);</li> <li>- 2.A 4-month extension of the payment deadline, with no penalty, for any (corporate) income tax, municipal business tax or net wealth tax due on or after 1 March 2020.</li> </ul> <p>Eligible taxpayer requests for such cancellations and deadline extensions are automatically accepted.</p> <p><b>Advance refund of VAT and deadline extension</b></p> <ul style="list-style-type: none"> <li>- The objectif of the government is to meet liquidity needs through an early repayment of VAT credit balances below 10,000 euros.</li> </ul>
<b>Rental payments</b>	<p>The government decided the suspension of the forced execution of evictions ordered for residential leases as well as those ordered for commercial leases in order to protect tenants during the crisis from immediate forced eviction execution.</p>
<b>Regulatory filings or company registrations</b>	<p>- CSSF Regulatory reporting deadlines:</p> <p>Although there is no general pushback of reporting deadlines, the CSSF has announced on 23 March 2020 that supervised entities experiencing difficulties to prepare or validate their CSSF reporting should contact the CSSF through their usual channels as soon as possible and ahead of reporting deadlines. In this case, the CSSF has confirmed that it will not apply a strict enforcement policy if delays in reporting are duly justified. On 26 March 2020, the Luxembourg government proposed a bill of law granting all investment funds a three-month extension for publishing their annual reports, subject to certain conditions. Importantly, however, this three-month extension will only apply to annual reports scheduled to be published between 18 March 2020 (the date the state of emergency was declared) and the date the state of emergency ends.</p> <p>- Deadline extensions regarding the filing of annual accounts (all entities concerned):</p> <p>In response to the disruption caused by COVID-19, the Luxembourg Business Registers has published a warning informing companies that an additional administrative period of 4 months has been granted in which annual accounts for the 2019 financial year may be filed. The standard rate will continue to apply during this period.</p> <p>As such, for a financial year ending on 31/12/2019, annual accounts filed by 30/11/2020 will be subject to the standard administrative charge.</p> <p>Specific rules and deadlines may apply for regulated or listed entities.</p>
<b>Insolvency laws</b>	<p>Luxembourg company is considered bankrupt if it fails the following tests:</p> <ul style="list-style-type: none"> <li>- it can no longer pay its debts which are due and payable (“liquidity” test) and</li> <li>- it has no possibility to raise financing (“creditworthiness” test). These two conditions must be met cumulatively.</li> </ul> <p>Therefore, if you are able to negotiate payment terms with your company’s creditors or if your company remains in a position to seek further equity or debt financing to cover its liabilities which are immediately due and payable, a bankruptcy filing will not be necessary at this stage. If, however, your company is deemed bankrupt because it fails both the “liquidity” test and the “creditworthiness” test, its managers/directors will need to declare such insolvency within a month of the company ceasing its payments to its creditors.</p> <p>Update: On 1 April 2020, the Luxembourg government adopted a Grand Ducal decree suspending the obligation on companies to file for bankruptcy within one month of ceasing payments to creditors. Please note, however, that creditors can still file petitions for the bankruptcy of Luxembourg debtors, whereby courts will give precedence to urgent claims (e.g. in respect of companies with a large number of employees).</p>
<b>Corporate activities and officers duties</b>	<p><b>Shareholders’ meeting given the Government’s ban on organizing public and private events:</b></p> <p>On 18 March 2020, the Luxembourg government declared the state of emergency for a period of 3 months in order to contain and slow the spread of Covid-19. This measure will impact shareholder meetings. Faced with this situation, Luxembourg companies (whether private or listed) have the following options (as per government decree issued on 20 March 2020):</p> <ul style="list-style-type: none"> <li>- Shareholders can be invited to participate in general meetings by way of proxies given to independent proxyholders. Independent proxyholders are chosen by the companies themselves and may be internal persons (e.g. a representative of the board) or external persons (e.g. a lawyer or an auditor).</li> </ul>

	<ul style="list-style-type: none"><li>- Shareholders may also be asked to exercise their rights by a distance vote in writing or in an electronic format.</li> <li>- Lastly, if the technical means at their disposal so allow, companies may also hold shareholder meetings by videoconference or any other means of telecommunication.</li></ul> <p><b>Alternatives to physical board meetings during the Covid-19 pandemic:</b></p> <p>The governmental restrictions and travel bans currently in force make the holding of physical board meetings very difficult, if not impossible. Furthermore, some Luxembourg entities may face additional difficulties if their constituent documents provide that board meetings can only be held if for instance a majority of the board members are physically present in Luxembourg, or if they have to comply with tax or regulatory substance requirements.</p> <p>On 20 March 2020, the Luxembourg authorities published a Grand Ducal regulation expressly permitting Luxembourgish entities to hold board meetings without holding a physical meeting. Thus, irrespective of contrary provisions in companies' constituent documents, board meetings may now proceed (i) by way of unanimous written board resolutions or (ii) by videoconference or any other means of telecommunication enabling participating board members to be identified.</p>
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## Portugal – Garrigues Portugal, SLP

Link to COVID-19 briefing/updates page: [https://www.garrigues.com/en\\_GB/coronavirus/europa](https://www.garrigues.com/en_GB/coronavirus/europa)

# GARRIGUES

<p><b>Financial support to companies</b></p>	<p><b>Capitalizar COVID-19 credit line in the amount of EUR 400,000,000:</b> created for treasury support of companies not covered by the specific credit lines mentioned below; available preferably to SMEs or other companies that have a positive net equity position.</p> <p><b>Credit lines for treasury support of companies in specific economic sectors:</b> EUR 60,000,000 (tourism sector - microenterprises); EUR 600,000,000 (restaurant business); EUR 200,000,000 (travel agencies, tourist entertainment and event organization companies); EUR 900,000,000 (touristic developments and accommodation); EUR 4,500,000,000 (credit line applicable to all companies, irrespective of the economic sector in which they are engaged, covering, <i>inter alia</i>, textile industry, clothing and footwear, trade and services, transport, real estate, construction, extractive and manufacturing industries, mining and wood industry). With the exception of the EUR 60,000,000 credit line for microenterprises acting in the tourism sector, these credit lines are available for small companies (from microenterprises to midcaps) that do not have debts with financial institutions, and with the Portuguese Tax and Social Security authorities.</p> <p>The above credit lines generally require maintaining the number of employees existing as at 1 February 2020 at least until 31 December 2020 and have a grace period of 1 year. The amount borrowed can be repaid in 3 to 4 years.</p> <p><b>Creation of specific Portugal 2020 incentives:</b> (i) Manufacturing Innovation COVID-19 (<i>Inovação Produtiva COVID-19</i>) (EUR 46,000,000) for SMEs and large enterprises; and (ii) Research and Development for Companies – COVID-19 (<i>I&amp;D Empresas - COVID-19</i>) (EUR 23,000,000) for companies and entities part of the National Investigation and Innovation System (<i>Sistema Nacional de I&amp;I</i>). These incentives were created to support, on a non-refundable basis, companies and entities that are willing to invest in the national production of medical equipment and devices, tests and personal protection equipment required for the fight against the COVID-19 outbreak. Projects must be completed within 6 months not exceeding 31 December 2020.</p> <p><b>Adoption of specific financial support measures for Portuguese start-ups:</b> (i) creation of the “<i>StartupRH COVID-19</i>”, which is a financial support through an incentive equivalent to 1 minimum wage per employee (up to a maximum of 10 employees per start-up); (ii) extension of the “<i>Start-up Voucher</i>” (i.e. a 3-month extension of the benefit already awarded (EUR 2,075 per employee)); (iii) creation of the “<i>Vale Incubação – COVID-19</i>”, a financial support for start-ups with less than 5 years of existence, through the hiring of incubation services based on a non-refundable incentive in the amount of EUR 1,500; (iv) creation of “mezzanine” funding for start-ups through a loan convertible into share capital (shareholder loans), after 12 months, applying a discount rate to avoid dilution of promoters (average investment tickets between EUR 50,000 and EUR 100,000 per start-up); (v) launch of the “<i>COVID-19 - Portugal Ventures</i>” for investments in start-ups, with tickets from EUR 50,000; (iv) modification of the already existing fund “<i>Fundo 200M</i>”, which is a co-investment with private investors in Portuguese start-ups and scale-ups, with the minimum public investment of EUR 500,000 and the maximum of EUR 5,000,000; (vii) modification of the already existing fund “<i>Fundo coinvestimento para a inovação social</i>”, which is a co-investment with private investors in companies with innovative and social impact projects, with the minimum public investment of EUR 50,000 and the maximum of EUR 2,500,000.</p> <p><b>Creation of specific incentive package:</b> (i) deferral for 12 months of instalments due up to 30 September 2020 relating to reimbursable subsidies granted under incentive schemes of the National Strategic Reference Framework (<i>Quadro de Referência Estratégico Nacional</i>) or of <i>Portugal 2020</i> without interest charges or any other penalty; (ii) acceptance of expenses incurred by beneficiaries of the said incentive schemes with initiatives or actions cancelled or postponed as a result of the COVID-19 outbreak, as eligible for reimbursement; and (iii) handling negative impact of the COVID-19 outbreak on the execution of contractual obligations undertaken under the <i>Portugal 2020</i> incentive scheme, as force majeure not attributable to beneficiaries.</p> <p><b>Adoption of export support measures (increase of cap for export credit insurance with State guarantees):</b> (i) for the metallurgical, metal-mechanical and mould sectors (increase from EUR 100,000,000 to EUR 200,000,000); (ii) for work abroad and other supplies (from EUR 100,000,000 to EUR 200,000,000); and (iii) for short-term export credit insurance line (from EUR 250,000,000 to EUR 300,000,000).</p>
<p><b>Moratoria on debts or</b></p>	<p><b>Moratorium on debts until 30 September 2020:</b> the Portuguese Government approved a moratorium on debts until 30 September 2020, which provides</p>

<b>mortgages</b>	<p>for the prohibition of the revocation of contracted credit lines, the extension or suspension of credits until the end of September this year.</p> <p>The moratorium applies to all companies that: <b>(i)</b> have registered offices and carry out their economic activity in Portugal; <b>(ii)</b> are classified as micro, small or medium enterprises; <b>(iii)</b> as at 18 March 2020, have not been in default or in breach of any cash repayments for more than 90 days with any financial institutions, or, if so, they do not meet the materiality threshold set out in Notice of Banco de Portugal no. 2/2019 and Regulation (EU) 2018/1845 of the European Central Bank of 21 November 2018; <b>(iv)</b> are not in a position of bankruptcy, or suspension or assignment of payments, or, as at 18 March 2020, being subject to enforcement by any financial institutions; and <b>(v)</b> are in a cleared position before Tax, Customs and Social Security Authorities, with no debts (not being relevant, for these purposes and until 30 April 2020, the debts incurred in March). Regardless of its size, any company (except those in the financial sector) which on 26 March 2020 fulfils the requirements referred to in paragraphs <b>(i)</b>, <b>(iii)</b>, <b>(iv)</b> and <b>(v)</b> above shall also benefit from this moratorium on debts.</p> <p>This moratorium does not apply to: <b>(i)</b> credit or financing to purchase securities or positions in other financial instruments, whether or not secured by such instruments; <b>(ii)</b> credit granted to beneficiaries of schemes, subsidies or benefits (in particular tax-related benefits) to establish head offices or residence in Portugal, and for investment activity; and <b>(iii)</b> credit granted to companies for individual use of credit cards by members of management, supervisory bodies, employees or other collaborators.</p>
<b>Employment measures</b>	<p><b>Temporary lay-off procedures:</b> given the suspension of business activities caused by COVID-19 and the preventive measures approved by the Portuguese Government, lay-offs, which consist in the temporary suspension of employment contracts or reduction of the working time, have exceptionally been made more flexible ("simplified lay-off"). These measures are applicable to businesses <b>(i)</b> that were forced to close by law or administrative determination; or <b>(ii)</b> that had to close or reduce their activity due to the interruption of global supply chains, or the suspension or cancellation of orders; or <b>(iii)</b> that suffered a sharp drop of at least 40% in invoicing in the period of 30 days prior to the request with the competent social security services, with reference to the monthly average of the 2 months prior to that period, or in relation to the same period of the previous year, or even, for those who started the activity less than 12 months ago, the average of that period.</p> <p><b>Extraordinary financial support:</b> under lay-off, the employer may temporarily reduce normal working periods or suspend employment contracts, and the employee is entitled, until 30 June 2020, to a compensation corresponding to 2/3 of the gross normal salary, with a minimum of EUR 635 and a maximum of EUR 1,905. This compensation is paid by the employer, who in turn, while this measure is in force, is entitled to financial support corresponding to 70% of the amount of the compensation, supported by Social Security. Additionally, employers are entitled to a financial incentive of EUR 635 per employee, paid in one lump sum, to support the resumption of activity.</p> <p><b>Exemption from contributions in the case of lay-off:</b> the employer is exempted from paying contributions to the Social Security only up to the amount of the compensation paid to the employee..</p> <p><b>Protection of employment:</b> during the period while these support measures are in force, as well as in the following 60 days, the employer may not terminate the employment contracts of employees covered by such measures, under the terms of collective dismissal and dismissal for termination of the job.</p> <p><b>Mandatory teleworking:</b> teleworking is mandatory in all cases where it is compatible with the functions performed by employees.</p> <p><b>Protection in case of sickness or prophylactic isolation:</b> in case of prophylactic isolation, employees are entitled to receive a sick allowance corresponding to 100% of their remuneration for a period of 14 days; in case of sickness due to COVID-19 infection, employees are entitled to sickness allowance, paid by the Social Security, according to the general terms; in case of absence to work due to the need to assist child or grandchild (either due to sickness or prophylactic isolation), employees are entitled to a special allowance paid by Social Security.</p> <p><b>Special protection measures due to closure of schools:</b> absences from work due to the need to stay at home during the school closure to take care of a child under 12 or regardless of age, with disability or chronic illness are considered justified and the parent that has to stay at home with the child and whose functions may not be performed under telework regime, receives a compensation corresponding to 2/3 of the basic salary (in the minimum amount of EUR 635), 50% borne by the employer and the remaining 50% borne by Social Security.</p>
<b>Tax aspects</b>	<p><b>Instalment payments applicable for VAT and CIT/PIT withholding taxes:</b> payment of VAT and CIT/PIT withholding taxes to be paid in the 2<sup>nd</sup> trimester of 2020 may be deferred and paid in 3 or 6 monthly instalments free of interest and without the need of providing guarantees (the first 1/3 or 1/6 has to be paid on the corresponding legal deadline). This measure applies to companies and self-employed with a turnover lower than EUR 10,000,000 in 2018, who have been forced to shut down, or those whose activity was initiated during 2019. Companies not fulfilling the said requirements may also request the</p>

	<p>deferral rule in cases where there is at least a 20% decrease on the average invoicing (communicated via the electronic invoicing system) of the preceding 3 months of the tax obligation as compared to the same period of 2019. To apply for this, the company will need a certificate confirming the activity decrease issued either by a statutory auditor (ROC) or a certified accountant. The request for payment in instalments is made electronically at the Portuguese Tax Authority's website, until the end of the voluntary payment period.</p> <p><b>Exemption from Social Security contributions:</b> temporary exemption from Social Security contributions for entities benefiting from the exceptional and temporary measures set for labor protection in the context of the Covid-19 outbreak. They apply for 1 month (with possible monthly renewals, up to a maximum of 3 months). They are applicable to entities <b>(i)</b> whose activities have been shut down; or <b>(ii)</b> which had to, totally or partially, stop their activities; or <b>(iii)</b> which had, at least, a 40% decrease on invoicing in last 30 days before the submission of the request, with reference to the average invoicing of the preceding 2 months, as compared to the same period of 2019. To apply for the exemptions mentioned in <b>(ii)</b> and <b>(iii)</b>, the company will need a certificate confirming the activity decrease issued either by a statutory auditor (ROC) or a certified accountant.</p> <p><b>Deferral of Social Security contributions:</b> possibility of reducing to 1/3 any Social Security contributions due between March and May 2020 for companies, and between April and June 2020 for self-employed. For companies which already paid Social Security contributions on 20 March, these may still defer payment of Social Security contributions due between April and June 2020. The remaining 2/3 should be payable under the same installment deferral rules set out above, i.e. payable between July and September 2020 or between July and December 2020, depending whether payable in 3 or 6 monthly instalments (free of interest). The deferral measures apply to <b>(i)</b> self-employed; <b>(ii)</b> companies with less than 50 employees; <b>(iii)</b> companies with 50-249 employees in cases where there is at least a 20% decrease on the average invoicing of the preceding 3 months (as from the payment obligation) as compared to the same period of 2019; <b>(iv)</b> companies with more than 250 employees that are Private Institutions of Social Solidarity (<i>IPSS</i>) or companies from the tourism sector, civil aviation sector and any other sector that has been shut down or suspended and which has at least a 20% decrease on the average invoicing (communicated via the electronic invoicing system). The proof of decrease of activity is issued either by a statutory auditor (ROC) or a certified accountant.</p> <p><b>Ongoing Tax Procedures:</b> tax and social security enforcement procedures currently in progress or expected to be initiated by the relevant authorities are suspended.</p> <p><b>Other measures adopted on tax obligations:</b> <b>(i)</b> postponement of the payment of the first CIT "special payment on account" (<i>pagamento especial por conta</i>) from 31 March to 30 June 30; <b>(ii)</b> extension of the deadline to submit the CIT (<i>Modelo 22</i>) from 31 May to 31 July; <b>(iii)</b> extension of the payment of the first CIT "payment on account" and "additional payment on account (<i>pagamento por conta</i>) from 31 July to 31 August; <b>(iv)</b> extension of VAT exemption for donation of goods to the State, social security public institutions and non-profit non-governmental organizations for subsequent distribution to people in need, which now includes people who have received health care in the current pandemic context and are deemed as victims of catastrophe (this VAT exemption does not limit the right to deduct input VAT); <b>(v)</b> simplification procedures for filing February VAT return until July; <b>(vi)</b> exceptional recognition of PDF invoices as "electronic invoices" in April, May and June for every legal and tax purposes; and <b>(vii)</b> monthly Stamp Tax Declaration (<i>DMIS</i>) becomes mandatory only for facts as from 1 January 2021 onwards (Stamp Tax assessment and payment obligations referring to 2020 can still be fulfilled through the former procedures).</p>
<p><b>Rental payments</b></p>	<p><b>Moratorium on rents:</b> moratorium granted to certain groups of tenants as a deferral on payment of rents that would be due during the state of emergency, and in relation to standard lease agreements, shopping centre leases and other atypical forms of occupational agreements regarding real property. Moratorium does not qualify as a rent-free period since eligible tenants will be bound to pay deferred rents in monthly instalments, with no interest or penalties, within 12 months after the deferment period lapses. These measures will only apply to: <b>(i)</b> certain residential tenants whose household income has been reduced as a result of the COVID-19 outbreak; <b>(ii)</b> retailers and services open to the public who have been forced to shut down or to suspend activity as a result of the state of emergency, or by any other legal or administrative order (including if they keep trading online or through distance sales); and <b>(iii)</b> restaurants and similar (even if they keep operating for take-away services or delivery to domicile).</p> <p><b>Specific case of commercial, retail and restaurants forced to close or to suspend activity:</b> <b>(i)</b> these tenants may defer the payment of rents falling due in the period from 1 April 2020 until the end of the month following the end of the state of emergency (the "Deferment Period"), which must be paid in the 12 months after the end of the Deferment Period, in monthly instalments, that shall accrue to the monthly rents due and payable in the same period; <b>(ii)</b> during the Deferment Period no interest or penalties for late payment will be due on those rents; <b>(iii)</b> landlords shall not be entitled to terminate leases or evict tenants for default on the payment of rents; <b>(iv)</b> if the tenant terminates the lease contract with effects before all deferred rents have been fully paid to the landlord, all amounts outstanding will be accelerated and become due and immediately payable; and <b>(v)</b> landlords may not, under any circumstance, cancel/terminate leases nor evict tenants on the grounds that the tenant has closed/vacated the premises or suspended activity in those cases where such closure or suspension has been imposed by law.</p>

	<p><b>Specific case of residential tenants:</b> (i) residential tenants (tenants who have their “permanent residence” in the property and student tenants who have their permanent residence more than 50 km away from the let property) may also defer the payment of rents due from 1 April 2020 until the end of the Deferment Period, but only if and when: (a) they have suffered a decrease of more than 20% in their household income, as compared to the preceding month or the equivalent period of the previous year; and (b) the payable rent represents an effort rate above 35% of the reduced monthly household income; (ii) tenants must inform the landlord of the deferment in writing, no later than 5 days before the date when the first relevant rent falls due; (iii) landlords shall not be entitled to terminate leases for default on rental payments due during the Deferment Period, provided however that the tenant pays 100% of the deferred rents in the 12 months after the end of the Deferment Period, in monthly instalments, that shall accrue to the monthly rents due and payable in the same period; (iv) during the Deferment Period no interest or penalties for late payment will be due on those rents; (v) if the tenant terminates the lease contract with effects before all deferred rents have been fully paid to the landlord, all amounts outstanding will be accelerated and become due and immediately payable; and (vi) there will be public interest-free loans available for residential tenants falling under the circumstances above (regarding permanent residence only, not second homes), to support them by covering the difference between the amount of the rent payable and the amount corresponding to a 35% effort rate in light of the variation in the household income (tenants who resort to these loans must keep paying their rents punctually and do not benefit from the right of deferral outlined above).</p>
<b>Regulatory filings or company registrations</b>	<p><b>Extension of expiry date of official certificates:</b> certain certificates issued by the Portuguese authorities, <i>inter alia</i>, commercial registry certificates, certificates of approval of corporate name and criminal registration certificates, expiring between 24 February and 30 June 2020, shall be accepted for all legal purposes as valid until 30 June 2020.</p>
<b>Insolvency laws</b>	<p><b>Suspension of all procedural terms and authorized judicial proceedings:</b> all procedural terms for all kinds of courts have been suspended and will resume when the state of emergency ends (this suspension covers the term for a debtor to file for insolvency). This suspension does not prevent the courts from ordering the performance of any judicial steps that are necessary to prevent irreparable damage to the legitimate rights and interests of debtors.</p>
<b>Corporate activities and officers' duties</b>	<p><b>Extension of deadline for holding annual general meetings:</b> general meetings which should take place by legal or statutory imposition until 31 March 2020 or 31 May 2020 (e.g. for approval of the year-end individual or consolidated financial statements, respectively) may be held until 30 June 2020.</p> <p><b>Remote meetings:</b> the use of distance communication mechanisms (i.e. video or teleconference) does not prevent the normal operation of corporate bodies and the passing of resolutions, provided that the participation via such means is duly recorded in the relevant minutes of the meetings.</p>
<b>Any other measures of note</b>	<p><b>Mandatory closure of certain establishments:</b> such as discos, night-clubs, bars, esplanades and similar, amusement parks or playground facilities for children, cinemas, theatres and concert halls, gymnasiums and sports academies.</p> <p><b>Mandatory suspension of certain retail activities and services open to the public:</b> retail activities and services open to the public which are deemed as being of first necessity or essential under the current circumstances, are not covered by the suspension order, such as supermarkets, hypermarkets, grocery stores, markets and other food retailers, wholesale retailers, other retailers, but only for the purposes of home delivery or delivery on the outside of the store (no costumers allowed on the inside), restaurants but only for take-away and home delivery, medical services, pharmacies and optical services, hotels and other tourism establishments (except for restaurants and bars inside of such establishments, which must also suspend their activity except for serving own guests), student accommodation facilities, home appliances, IT products and repair, car repair, gas stations, financial services and insurance services.</p> <p><b>Termination of lease agreements and evictions:</b> (i) mandatory closure of establishments and facilities and suspension measures determined by the Portuguese Government cannot be invoked as grounds for the termination, early break or other forms of terminating lease contracts for non-residential purposes or other atypical forms of occupational agreements regarding real property, nor as grounds for the eviction from the properties where such establishments or facilities are installed; (ii) the duration of lease agreements (residential or commercial) that would normally expire before the 60th day after the termination of the exceptional measures is extended until such date (except if the tenant agrees to the expiry of the lease at an earlier date); (iii) the effects of all notices for termination, revocation or opposition to renewal/extension served by the landlord are suspended until the 60th day after the termination of the exceptional measures; (iv) eviction proceedings (either judicial or otherwise) are suspended in the cases where, as a consequence of a potential final eviction decision, the tenant could be put in a “vulnerable situation due to the lack of a place for permanent residence or to another overriding social reason”, and (v) the obligation of the tenant to return the premises to the landlord following the termination of the lease is suspended until the 60th day after the termination of the exceptional measures.</p>

## Spain – J&A GARRIGUES SLP

Link to COVID-19 briefing/updates page [https://www.garrigues.com/en\\_GB/tags/spain](https://www.garrigues.com/en_GB/tags/spain)

# GARRIGUES

<p><b>Financial support to companies</b></p>	<p>In order to mitigate the economic impact caused by the COVID-19, some measures have been adopted to promote the liquidity of the economic operators, including among others:</p> <p><b>€ 100,000,000,000 funding for credit institutions:</b> the Spanish Government will grant up to €100,000,000,000 in guarantees for funding provided by credit institutions, to companies and self-employed workers needing that funding to meet their financial needs arising from their invoices, need of working capital (cash), financial or tax obligations or other liquidity needs. The terms and conditions for accessing to those guarantees are currently pending to be determined. The insurance premiums may vary whether the beneficiary is an SME or a non-SME, in accordance with <i>de minimis</i> EU regulations.</p> <p><b>Increasing of the ICO's net indebtedness:</b> it has been increased the facilities of the Spanish official credit institute (ICO) for providing funding to companies and the self-employed by means of rising by €10,000,000,000 the net indebtedness limit established for such entity.</p> <p><b>Increasing of the CESCE insurance cover facility:</b> the Spanish Export Credit Agency (<i>CESCE</i>) has been authorised to give an insurance cover facility amounting up to €2,000,000,000 for the working capital credit facilities needed by certain small and medium enterprises dedicated to export goods and which are encountering liquidity problems (but which are not in insolvency or pre-insolvency state) as a result of the impact of the crisis caused by COVID-19.</p> <p><b>Financial measures related to Agricultural activities:</b> owners of agricultural operations that had entered into credit facility loans, as a result of the drought suffered in 2017, will be allowed to enter into agreements with the relevant financial institutions to extend their repayment periods by up to a year.</p> <p><b>R&amp;D&amp;I:</b> the sums in the Fund for “<i>Red Cervera</i>” Technical Provisions and R&amp;D&amp;I projects are allowed to be used to cover any of the risks that “<i>Centro para el Desarrollo Tecnológico e Industrial</i>” may incur by providing loans to finance R&amp;D&amp;I projects of small and medium enterprises, and of mid cap companies.</p>
<p><b>Moratoria on debts or mortgages</b></p>	<p>Royal decree-law 8/2020, March 17 (“<b>RDL 8/2020</b>”) incorporates a moratorium in favour of mortgage debtors who are in a particularly vulnerable situation (<i>i.e.</i> the mortgagor becomes unemployed or, in the case of a businessman, suffers a substantial loss of income or a substantial drop in sales, that is, at least 40%).</p> <p>Likewise, under royal decree-law 11/2020, March 31 (“<b>RDL 11/2020</b>”), the Spanish General Treasury of Social Security (<i>Tesorería General de la Seguridad Social</i>) is authorised to grant moratoriums of 6 months in the payment of their social security contributions, without interest, to companies and self-employed workers who request it and meet certain requirements.</p>
<p><b>Employment measures</b></p>	<p><b>Furlough procedures (“ERTEs”) as a temporary solution:</b> given the suspension of business activities caused by COVID-19 and the preventive measures approved by the government, ERTEs have exceptionally been made more flexible. This affects both those triggered by force majeure events and those caused by economic, technical, organisational and production-related grounds arising from COVID-19 and it seeks to facilitate these measures over others that may have a greater impact on employment.</p> <p><b>Exemption from contributions in the case of ERTEs due to force majeure:</b> there is a full exemption from the employer's share of social security contributions for companies with fewer than 50 workers and a 75% exemption for companies with 50 or more workers.</p> <p><b>Obligation to maintain employment:</b> the extraordinary employment-related measures are subject to the company's obligation to maintain employment for a period of 6 months following the date of resumption of the company's activity.</p> <p><b>Rights to adapt and reduce working hours:</b> this measure is addressed to workers who evidence duties of care with respect to their spouse or equivalent and</p>

	<p>relatives up to the 2<sup>nd</sup> degree of consanguinity as a result of COVID-19.</p> <p><b>Preferential nature of teleworking:</b> alternative organisation systems will be established, particularly teleworking, and companies must adopt the appropriate measures, if this is technically and reasonably possible and the effort required to adapt is proportionate.</p> <p><b>Sick leave:</b> sick leave due to COVID-19 infections or preventive isolation is treated as an occupational accident for the purposes of benefits.</p> <p><b>Recoverable paid leave:</b> There was a time window between March 30 and April 9, 2020, both inclusive, in which workers involved in non-essential activities were not able to go to work as result of the Covid-19 crisis and subsequent State of Emergency. During that period, those affected workers benefited from a mandatory recoverable paid leave (<i>permiso retribuido recuperable</i>). The recovery of the missing working hours by the employees shall be carried out until December 31, 2020 under the conditions to be collectively agreed with their employer.</p>
<p><b>Tax aspects</b></p>	<p>Certain measures in the tax ground have been adopted in order to ensure, among others, the liquidity of the economic operators:</p> <p><b>Tax debts deferrals:</b> royal decree-law 7/2020, March 13 (“<b>RDL 7/2020</b>”) regulates certain financial support measures in order to reduce the economic impact on small and medium companies and self-employed by easing of certain tax debts deferrals for a period of 6 months in which the first 3 months will not accrue interest on arrears. These deferrals include the payment of the tax debts corresponding to all those returns-settlements or self-assessments, whose deadline for presentation and payment goes from March 13 to May 30, 2020, both inclusive, may be deferred, without the need to provide a guarantee, provided that they are for an amount less than € 30,000. The RDL 11/2020 has extended the deferment possibility to customs and tax debts relating to customs declarations. Only those debtors who are persons or entities with a volume of operations not exceeding € 6,010,121.04 in 2019 will be eligible for deferment.</p> <p><b>Extension of the filing and payment deadline for certain tax returns and self-assessments:</b> This extension benefits small and medium-sized companies and the self-employed, and relates to returns to be filed between April 15 and May 20, 2020. It applies to taxpayers that had revenues of €600,000 or lower in 2019. For taxpayers with public authority status, including the social security authorities, their latest approved annual budget cannot go above €600,000.</p> <p><b>Suspension of certain tax term periods:</b> in view of the difficulties companies will encounter during tax procedures, terms and deadlines for all the procedures in progress against the STA have been suspended during the state of emergency. The authorities are allowed, however, to carry on with ordinary conduct of tax procedures, to order and carry out any steps they consider absolutely necessary and to make notifications, demands, requests for information or grant periods for inspection of case files and comments. In this case, the terms for fulfilment of these steps by the taxpayer have been extended until April 30 or May 20, 2020, depending on the case concerned.</p> <p>Deadlines for filing tax returns and paying regular taxes (such as withholding taxes, prepayments, VAT, etc.) have not been extended, unless the deferment explained below is applicable.</p> <p><b>Measures in the customs field:</b> to speed up customs formalities for imports in the industrial sector, so as to prevent effects on the supply chain of goods from third countries or a halt in exports, it provides that the person in charge of the department of customs and excise and other special taxes at the Spanish tax agency (AEAT) will be able to order that the declaration procedure and customs clearance must be conducted by any body or public official from the Spanish customs and excise and special taxes division.</p> <p><b>Exemption in relation to transfer and stamp tax for mortgage transactions:</b> deeds formalising contractual novation of mortgage loans and credit facilities drawn up under the RDL 11/2020 will be exempt from the gradual quota from the ad valorem stamp tax charge on notarised documents.</p> <p><b>VAT and custom duties exemption:</b> Reliefs of custom duties and VAT exemption have been approved for imports of any goods necessary for medical treatment of individuals affected by COVID-19 and for avoiding the spread of viruses. These reliefs and exemptions apply to imports made by public entities or by authorised private entities with charitable or philanthropic purposes.</p> <p><b>Suspension of assessment of VAT and of excise taxes on electricity and on hydrocarbons on the bills for electricity, natural gas and oil products:</b> Electricity and natural gas retailers and distributors of manufactured gases and piped liquefied gases are exempt from any obligation to assess and pay over VAT and, where relevant, the excise tax on electricity and the excise tax on hydrocarbons relating to bills with suspended payment, until the customer has paid them in full, or six months have run from the end of the state of emergency.</p>

	<p><b>Measures approved by Spanish regional and local government authorities:</b> All measures described above have been adopted by the Spanish Government and apply in general to all Spanish Territory. However, there are state taxes managed by the regional governments, and also regional and local taxes. On such basis, since the declaration of the state of emergency, regional and local authorities have been adopting measures for helping companies and individuals during this period. Even if those measures are not homogeneous and they may change from time to time, generally, the regional and local governments are deferring tax declarations and payments to a further delay than the Spanish government as regards state taxes.</p>
<p><b>Rental payments</b></p>	<p>If the landlord is an entity or a public housing company (<i>entidad pública de vivienda</i>) or a large individual holder (<i>i.e.</i> an individual owning more than 10 properties or owning a built facility bigger than 1,500 sq.m), the tenant may request temporary and extraordinary deferment of the rent <u>of his/her principal residence</u> within one month from the enter into force of RDL 11/2020 provided that said deferment or the total or partial remission of the rent has not already been achieved voluntarily by agreement between both parties.</p> <p>In the event that the agreement had not taken place, the landlord may choose between the following alternatives:</p> <ul style="list-style-type: none"> <li>- a 50% reduction over the rent while the state of emergency is in force; or</li> <li>- a moratorium on the payment of the rent that will be applicable during the term of the state of emergency (and which may be extended monthly if that term is insufficient in relation to the situation of vulnerability caused by the COVID-19), and which may not, in any case, exceed four months.</li> </ul> <p>In line with the above, Royal Decree-Law 15/2020 has extended, in one additional month starting from April 23 2020, the term granted to the tenant to request a moratorium on the rent payment. However, in this case, the moratorium will be automatically binding to the landlord, and the same conditions as indicated above will apply.</p> <p>Likewise, measures related to the suspension of the eviction procedures as well as the removals of judicial releases for vulnerable households without alternative housing have been introduced.</p> <p>Finally, besides the above regulations introduced by the Spanish government to mitigate the economic impact regarding the COVID-19, the undertakings that need to bear rental payments while their business are closed (retailers, in particular) are requesting to their landlords, on a general basis, rent free periods regarding their lease agreements given the extraordinary nature of the health emergency resulting from COVID-19, based on the <i>force majeure</i> and hardship (<i>rebus sic stantibus</i>) applicable case law.</p>
<p><b>Regulatory filings or company registrations</b></p>	<p>The 3 month term, counted from the end of the fiscal year, that the management body of a Spanish entity has to draw-up its annual financial statements (whether ordinary or abbreviated, individual or consolidated) and the management report (if mandatory), as well as any other documents that are legally binding under corporate law, is interrupted, resuming again for another 3 months counting from that date.</p> <p>The ordinary general shareholders' meeting required for the approval of the relevant financial statements shall be necessarily held within 3 months counted from the end of the abovementioned term.</p> <p>In the case of financial statements that had already been prepared on the date of declaration of the state of emergency, the term for their verification by auditors, where they are subject to statutory audit, is extended until 2 months after the end of the state of emergency.</p>
<p><b>Insolvency laws</b></p>	<p><b>Suspension of all procedural terms and authorised judicial proceedings:</b> it has been suspended all procedural terms for all kinds of courts, which includes terms before commercial courts, which are the courts that specialise, among others, in insolvency matters and form part of the civil jurisdiction. These terms will resume when the state of emergency ends. However, this suspension does not prevent the courts from ordering the performance of any judicial steps that are necessary to prevent irreparable damage to the legitimate rights and interests of the parties to the proceeding.</p> <p>New insolvency proceedings are also subject to the restriction of new submissions indicated above.</p> <p><b>Suspension of some material terms or partial moratorium:</b> it has been established a moratorium on the duty to file a petition for the opening of insolvency proceedings while the state of emergency is in effect. During the moratorium, the debtor will also be protected from any petitions for the opening of mandatory insolvency proceedings filed by its creditors. However, this insolvency moratorium is only partial and does not protect the debtor from certain steps by its creditors (such as non-judicial or judicial claims or enforcements) that may be deemed admissible.</p>

<p><b>Corporate activities and officers duties</b></p>	<p><b>Meetings of managing bodies:</b> the measures adopted as a consequence of the COVID-19 seeks to make easier the meetings of managing bodies to be held by using distance communication mechanisms (<i>i.e.</i> video calls), or directly in writing and without a meeting.</p> <p><b>Annual shareholders' meeting:</b> it has been postponed the terms for calling and holding the ordinary annual shareholders' meeting (<i>i.e.</i> approval of annual accounts).</p> <p>Regarding the attendance to the shareholders meeting, in the case of non-listed companies, the provisions on remote attendance are not so clear. In the case of listed companies, the management body may call the general meeting for attendance by electronic means and remote voting under the terms of art. 182, 189 and 521 of the Spanish Companies Act, as well as the holding of the meeting anywhere in Spain, even though these matters are not provided for in the bylaws.</p>
<p><b>Any other measures of note</b></p>	<p><b>Foreign Investments:</b> RDL 8/2020 temporary suspends the liberalisation of foreign investment in Spain. In this respect, investors who are based outside the EU and the European Free Trade Association will need a prior authorisation to execute certain investments. The affected investments under the suspension are:</p> <ul style="list-style-type: none"> <li>– investments that may affect public order, public security and public health (<i>i.e.</i> critical infrastructures, critical technologies, the supply of essential goods and inputs, sectors with access with sensitive information and the media); and</li> <li>– investments controlled by foreign governments, those already involved in sectors affecting public security, order and health in other Member States, and those who may have committed criminal or illegal activities in other Member States or elsewhere.</li> </ul> <p>Notwithstanding, RDL 11/2020 allows for a simplified authorisation process for foreign investments for which there is evidence of existence of (i) a previous agreement between the parties or a binding offer in which the price was fixed, determined or determinable, or (ii) those of an amount of € 1,000,000 or more but less than € 5,000,000.</p> <p><b>Other relevant measures to be noted:</b>  The consumer's right to terminate certain agreements without penalty based on art. 36 RDL 11/2020;  the refund of expenses and granting of aid for cancellation of activities and events to promote international trade (art. 40 RDL 11/2020);  the restriction on commercial communications issued by game and gambling operators (art. 7, RDL 11/2020); and  the modification of regulations on capital movements and economic transactions abroad to prevent money laundering (4<sup>th</sup> Final Provision RDL 11/2020).</p>

## The Netherlands – Houthoff

Link to COVID-19 briefing/updates page:

[https://www.houthoff.com/expertise/Topics/Coronavirus?sc\\_lang=en](https://www.houthoff.com/expertise/Topics/Coronavirus?sc_lang=en)



### Financial support to companies

#### SME Credit Guarantee Scheme

- The SME Credit Guarantee Scheme is available for small and medium sized enterprises (SMEs) that are established in the Netherlands and have substantial activities in the Netherlands (except for undertakings active in agriculture, fisheries, public health care, insurance and finance, and real estate).
- Under the regular scheme, the government guarantees loans to SMEs up to 50% of the loan provided by the financier. The size of the maximum guarantee has been increased from 50% to 75% for loans with a maximum amount of EUR 266,667. For loans of more than EUR 266,667, the guarantee is capped at 50%. In addition, the maximum loan for which the guarantee applies has been increased from EUR 1 million to EUR 1.5 million. The scheme can be used by companies for bridging loans or to increase their current account credit for up to two years.
- With effect from 7 April 2020, the premium for the guarantee has been lowered from 3.9% to 2%. Moreover, the budget for the scheme has been increased to EUR 10 billion.
- The eligible SMEs may submit an application to the accredited financier, which is usually a bank. The accredited financiers can submit an application to *Rijksdienst voor Ondernemend Nederland*. You can find the eligibility criteria and the list of accredited financiers via [https://www.rvo.nl/subsidie-en-financieringswijzer/borgstelling-mkb-kredieten-bmkb?utm\\_campaign=9641374287&utm\\_source=google&utm\\_medium=cpc&utm\\_content=426541141803&utm\\_term=%2Bmkb%20%2Brvo&adgroupid=101823230849](https://www.rvo.nl/subsidie-en-financieringswijzer/borgstelling-mkb-kredieten-bmkb?utm_campaign=9641374287&utm_source=google&utm_medium=cpc&utm_content=426541141803&utm_term=%2Bmkb%20%2Brvo&adgroupid=101823230849)

#### Guarantee enterprise financing (GO Scheme)

- The scheme is available for SMEs and large companies that are established in the Netherlands and have substantial activities in the Netherlands (except for undertakings active in agriculture, fisheries, public health care, insurance and finance, and real estate).
- The government helps companies by providing a guarantee on bank loans and bank guarantees. Under the GO Scheme, the maximum amount of the guarantee to be provided by the Dutch government to (i) large companies is 80% of the related bank loan or bank guarantee; and (ii) SMEs is 90% of the related bank loan or bank guarantee, provided that the large company or SME (as the case may be) has been affected by the Covid-19 outbreak. Under the regular scheme, this applies to loans and guarantees from EUR 1.5 million up to a maximum of EUR 50 million per undertaking. The government has increased the maximum amount of any loan or guarantee under the GO Scheme to EUR 150 million per undertaking.
- The budget of the GO Scheme has been increased from EUR 400 million to EUR 10 billion.
- The eligible companies make an application to an accredited financier which is usually a bank. The accredited financiers can submit an application to the *Rijksdienst voor Ondernemend Nederland*. You can find the eligibility criteria and the list of accredited financiers via <https://www.rvo.nl/subsidie-en-financieringswijzer/garantie-ondernemingsfinanciering-go/verruiming-go>

#### The Emergency Desk

- The measure is available for SMEs established in the Netherlands before 15 March 2020 and are active in sectors which are directly affected by the government measures such as cafes, bars, restaurants, beauty salons, travel industry, taxi companies, dentists and suppliers of eating and drinking establishments.
- These undertakings can receive a one-off compensation of EUR 4,000.
- Applications may be submitted until 26 June 2020. Application and further eligibility criteria may be found at <https://www.rvo.nl/subsidie-en-financieringswijzer/tegemoetkoming-schade-covid-19>

**Availability of credit and finance for start-ups and scale-ups**

- Bridge financing is available to start-ups and scale-ups that have been affected by the corona crisis.
- Since these companies usually do not have banking relationships, the credit will be provided by Regional Development Agencies (*Regionale Ontwikkelingsmaatschappijen*, ROM).
- The government has made EUR 100 million available to support the start-ups and scale ups. The details will be announced later.

**Guarantee scheme for agricultural SME loans**

- The measure is available for agricultural SMEs that are established in the Netherlands and have substantial activities in the Netherlands. The Dutch government has decided to temporarily amend the scheme to provide more financial leeway for agricultural SMEs that run into difficulties and need working capital and/or liquidity. The temporary extension is aimed at regular agricultural loans and means that the State guarantees 70% of the total amount of the loan granted by the financier. This temporary extension can be used by agricultural SMEs to obtain a bridging loan or an increase in current account credit from a lender for a maximum term of two years.
- On 10 April 2020, the measure has also been extended to include fisheries and aquaculture companies. Companies within these sectors can make use of the scheme retroactively per 18 March 2020. Furthermore, the premium for the government guarantee has been decreased from 3% to 1.5% and from 1% to 0.5% for starters.
- The eligible companies make an application to the accredited financier which is usually a bank. The accredited financiers can submit an application to *Rijksdienst voor Ondernemend Nederland*.
- You can find the eligibility criteria and the list of accredited financiers via <https://www.rvo.nl/subsidie-en-financieringswijzer/borgstellingskrediet-voor-de-landbouw-bl/verruimd-verband-met-corona>

**Support measures for specific agricultural sectors**

- The government announced to introduce a new scheme with a EUR 650 million budget for the compensation of damages suffered by specific agricultural sectors as a result of the Covid-19 outbreak.
- The ornamental horticulture sector and specific sections of food horticulture will be compensated for up to 70% of decrease in turnover in March, April and May 2020. The benchmark is the average turnover in the same period in three preceding years.
- Chip potato growers will receive compensation in relation to the quantity of potatoes they still have in storage. The compensation applies to potatoes that can no longer be processed into chips for this season. The total compensation will amount to 40 percent of the average market value of the potatoes over the period from September 2019 up until February 2020. A total of EUR 50 million has been made available to this end.
- Further details on the measure and how companies can apply for compensation will be published shortly.

**Income support for the self-employed**

- The measure is available for the self-employed registered in the business register before 17 March 2020.
- The support may take the form of a benefit payment up to a certain maximum amount (social minimum) and/or a loan for working capital to solve liquidity problems.
- No viability test will be applied so that the requests may be processed quickly, i.e. 4 weeks instead of the regular 13-week period.
- The level of income support depends on income and the household composition but is a maximum of approx. EUR 1,500 per month (net). This income support does not need to be paid back.
- The accelerated procedure also applies to loan applications for working capital up to a maximum of EUR 10,157. In addition, a lower interest rate than the regular rate will be applied on the loans.

**Extension of export credit insurance**

- Dutch exporters and their banks can take out export credit insurance with Atradius Dutch State Business for political and commercial risks that cannot be insured on the market. The government has announced to extend export credits which will enable companies to cover more risks.
- Short-term export credit insurance (shorter than two years) will be covered.
- Possibilities for domestic coverage will be extended.
- Coverage will be available for more countries.
- A higher percentage of working capital will be covered.
- Dutch commercial banks will be able to receive financing from BNG Bank and NWB bank on favourable terms so that they can provide credit to Dutch exporters at a favourable fixed interest rate.
- Applications for different products may be submitted to Atradius Dutch State Business

	<p><a href="https://atradiusdutchstatebusiness.nl/nl/nieuws/maatregelen-steunpakket-corona-crisis.html">https://atradiusdutchstatebusiness.nl/nl/nieuws/maatregelen-steunpakket-corona-crisis.html</a></p> <p><b>Government reinsurance of supplier credits</b></p> <ul style="list-style-type: none"> <li>On 8 April 2020, the Dutch government announced that it intends to reinsure supplier credits for the remainder of 2020.</li> <li>This measure is mostly aimed at helping SME retailers and catering establishments that make use of supplier credits and need to provide an insurance of payment to the supplier via a credit insurer. It is estimated that the measure will cost around EUR 12 billion, and that the Dutch government will incur approximately EUR 1 billion in losses. The measure has yet to be worked out in greater detail</li> </ul> <p><b>Additional support for the cultural and creative sector</b></p> <p>The Dutch government has announced an increase in the budget of existing schemes available to the cultural and creative sector in order to preserve vital components of the cultural infrastructure.</p> <p>Any cultural/creative institution/organisation that has suffered a loss of income as a result of the Dutch government's measures to combat the spread of Covid-19 provided that:</p> <ul style="list-style-type: none"> <li>the institution/organisation has first made use of other measures available to it;</li> <li>the institution/organisation has, where justified, first drawn on its own reserves; and</li> <li>15% of the income/turnover of the institution/organisation in 2018 came from its own activities.</li> </ul>
<b>Employment measures</b>	<p><b>Emergency Bridging Measure to Preserve Employment (NOW)</b></p> <ul style="list-style-type: none"> <li>The subsidy is available for employers that pay Dutch wages and expect to see at least a 20% decline in turnover over a three-month consecutive period between 1 March 2020 and 31 July 2020, the starting date of which falls on the first day of March, April or May 2020. The benchmark is the average turnover over the course of three months in 2019 for companies which existed in 2019.</li> <li>The subsidy is up to a maximum amount of 90% of the wage bill (the wages of all employees) for the period from 1 March 2020 up until 31 May 2020. Only in the event of a 100% decline in turnover, will 90% of the total wage bill be paid out. If the decline in turnover is lower, the subsidy will be set at a proportionately lower level.</li> <li>Based on the application, an advance payment of 80% of the estimated amount of the subsidy based on the expected decline in turnover and the employers' actual wage costs in January 2020 will be paid. A final settlement will take place on the basis of the actual turnover which normally requires an audit opinion.</li> <li>In cases of a composition of legal entities, the decline in turnover is assessed at group level. This means that if a group as a whole has a decline in turnover of less than 20%, the individual members of that group are not eligible for a NOW subsidy. Under specific circumstances, however, individual group members can also apply for the NOW subsidy, even if the decline in turnover at group level does not exceed the 20% threshold.</li> <li>Compensation for each individual employee's wage is capped at EUR 9,538 per month.</li> <li>In using the scheme, companies are obligated, amongst other things, to use the subsidy exclusively for the payment of wage costs and not to apply for dismissal for commercial reasons during the period of the NOW subsidy. Probationary period dismissals and non-renewal of fixed-term contracts are not regarded as such. Any extension of the subsidy period will be announced before 1 June 2020.</li> <li>Applications may be submitted via the Dutch Employee Insurance Agency (UWV) until 31 May 2020: <a href="https://www.uwv.nl/werkgevers/actueel/now.aspx">https://www.uwv.nl/werkgevers/actueel/now.aspx</a></li> </ul>
<b>Tax aspects</b>	<p><b>Deferral of payment relaxed</b></p> <ul style="list-style-type: none"> <li>All business subject to taxation in the Netherlands are eligible for a deferral of payment of income tax, corporate income tax, wage tax, VAT, environmental taxes, excise (mineral oils, alcohol, and tobacco), insurance tax, gambling tax, and landlord levy.</li> <li>The Dutch tax authorities will postpone collecting tax immediately after receipt of a request for deferral and grant a deferral of three months.</li> <li>The deferral applies to current tax debts as well as to tax debts that arise in three months following the request for deferral.</li> <li>A deferral of payment of tax for a period longer than three months is possible but additional conditions need to be satisfied.</li> <li>The deferral application may be submitted via <a href="https://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/berichten/nieuws/uitstel-betaling-gevolgen-coronavirus">https://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/berichten/nieuws/uitstel-betaling-gevolgen-coronavirus</a></li> </ul> <p><b>No default penalties and reduction of collection interest and interest for unpaid tax</b></p> <ul style="list-style-type: none"> <li>The tax authorities will not impose default penalties for non-payment or late payment of taxes. Default penalties (automatically) imposed will be reversed. Although not specifically confirmed, it is generally understood that both measures will apply as of 12 March 2020.</li> <li>The collection interest that normally starts after the expiry of the payment term will be temporarily reduced from 4% to 0.01% from 23 March 2020. This applies to all tax debts.</li> </ul>

	<ul style="list-style-type: none"> <li>In addition, the interest rate for unpaid tax will also be reduced to 0.01% as of 1 June 2020. An exception to this is the temporary reduction of the interest rate for unpaid personal income tax, which will take effect from 1 July 2020.</li> </ul> <p><b>Reduction of preliminary corporate income tax assessment</b></p> <ul style="list-style-type: none"> <li>If a preliminary corporate tax assessment has been imposed and the taxable profit is likely to be lower than the taxable profit estimated for the preliminary assessment, a reduction of the preliminary assessment may be requested. This creates a right to a refund (if the preliminary assessment has already been paid in full) or provides for a reduction of the monthly tax due (if the preliminary assessment is paid on a monthly basis). The Dutch government has announced that the Dutch tax authorities will grant all requests to reduce preliminary assessments.</li> <li>The application may be submitted via <a href="https://www.belastingdienst.nl/wps/wcm/connect/nl/ondernemers/content/coronavirus-belastingmaatregelen-om-ondernemers-te-helpen">https://www.belastingdienst.nl/wps/wcm/connect/nl/ondernemers/content/coronavirus-belastingmaatregelen-om-ondernemers-te-helpen</a></li> </ul>
<b>Rental Payments</b>	<p><b>Tenants</b> The Dutch Government has come to an agreement with housing corporations and associations that tenants will not be evicted during the COVID-19 crisis. For tenants who are unable to pay the monthly rent despite these measures, landlords will endeavour to provide custom solutions. Evictions may only take place in case of criminal activity or extreme nuisance.</p> <p><b>Extension of temporary lease contracts</b> The Dutch Government has initiated an emergency act allowing temporary lease contracts to be extended during the course of the crisis. Currently, Dutch law prescribes that any extension of a temporary lease will automatically be converted into a permanent lease, causing landlords to terminate the contract at the end of the lease. The emergency act will allow landlords to extend the lease with a maximum of three months and until 1 September 2020 at the latest.</p> <p><b>Businesses</b> The Ministry of Economic affairs has, in collaboration with real estate companies, drawn up guidelines on how to assist shop owners in financial distress. The guidelines urge the real estate companies to (partially) suspend payment of rent in April, May and June, upon request. However, the guidelines are not binding.</p>
<b>Corporate activities and officers duties</b>	<p><b>Emergency Act</b> The Dutch Ministry of Justice and Security published a bill on 8 April 2020 in connection with the coronavirus (COVID-19) outbreak (the "Emergency Act") and an accompanying Explanatory Memorandum. The Emergency Act provides for, among other things:</p> <ul style="list-style-type: none"> <li>the facilitation of electronic decision-making by temporary derogation from the legal and statutory provisions concerning holding physical meetings of legal entities;</li> <li>extension of the period for preparing annual accounts by the management board instead of by the general meeting;</li> <li>a temporary limitation on the 'presumptions of proof' for directors' liability in case of bankruptcy if filing of the annual accounts is delayed as a result of COVID-19.</li> </ul>
<b>Any other measures of note</b>	<p><b>Functionality of courts</b></p> <ul style="list-style-type: none"> <li>The courts are closed for public but remain functional.</li> <li>The deadlines for submitting documents to the courts remain unchanged as much as possible, unless the court reports otherwise.</li> <li>In-person hearings are suspended until at least 11 May 2020. In urgent matters, the courts may hear cases via videoconference or teleconference and, in very exceptional cases, in-person hearings may be held.</li> </ul>

## United Kingdom – Burges Salmon LLP

Link to COVID-19 briefing/updates page: <https://www.burges-salmon.com/coronavirus-covid-19/>



### Financial support to companies

The UK Government has announced a number of schemes to support UK companies whose business has been adversely affected as a result of the protective measures put in place to mitigate the risk to health of Covid-19. The main schemes are:

- **Covid Corporate Financing Facility:** Support for large, investment grade or equivalent UK corporates. Debt funding is provided by a UK Government Fund (Covid Corporate Financing Facility Limited) purchasing sterling-denominated commercial paper issued by the relevant company, with maturity of up to 12 months from issue. UK banks have a key role as the dealers on behalf of the companies.
- **Coronavirus Business Interruption Loan Scheme:** Support for small and medium enterprises. Debt funding is provided by UK Banks by way of new term debt of up to £5m and term of up to 6 years. The loans are interest free for 12 months. An integral part of this scheme is the guarantee by the UK Government in favour of the relevant Bank for 80% of the new debt.
- **Coronavirus Large Business Interruption Loan Scheme:** The government has extended the above loan scheme to large businesses. The CLBILS will provide a government guarantee of 80% of the new debt to enable banks to make loans of up to £25 million to businesses with an annual turnover of over £45 million.
- **Innovation:** On 20 April 2020, HM Treasury and Innovate UK announced a new financial package to protect firms that drive innovation, launching in May, including (a) £500 million investment fund for high-growth companies impacted by the crisis (Future Fund) providing UK-registered unlisted companies with between £125,000 and £5 million from the Government, with private investors at least matching the Government commitment; and (b) £750 million of grants and loans for SMEs that focus on research and development.
- **Self-employed Income Support Scheme:** Support available by way of grants to self-employed individuals and partnerships with trading profits of less than £50,000 pa. The grants cover up to 80% of the average profits from the three tax years 2016-2019, up to a maximum of £2,500 per month for three months.

Particular/sector support:

- **Retail, hospitality and leisure businesses:** Grants of up to £25,000 will be made available for businesses, with the level of grant depending on the rateable value of the property from which it trades. \*\*. All businesses will benefit from a business rates holiday for the 2020-2021 tax year. \*\*
- **Nursery businesses:** All businesses will benefit from a business rates holiday for the 2020-2021 tax year.
- **Small Business Grant Scheme:** Scheme for businesses eligible for small business rate relief, rural rate relief or tapered relief under which local authorities will be able to provide one-off grants of up to £10,000. \*\*

	<ul style="list-style-type: none"> <li>• <b>Scotland:</b> Each of the measures marked ** in this section above has been replicated by the devolved government in Scotland. There are additional sector specific relief packages for Scottish airports and certain parts of the food and drink sector, a significant contributor to the Scottish economy.</li> </ul>
<b>Moratoria on debts or mortgages</b>	New legislation is awaited. Please see "Insolvency Laws" section below.
<b>Employment measures</b>	<p>The impact of COVID-19 hit UK employers hard and fast at the start of March with the government introducing measures to ease the pressure including:</p> <ul style="list-style-type: none"> <li>• <b>Statutory Sick Pay:</b> Extension of statutory sick pay provisions (SSP) to allow employees to claim pay from day 1 of their sickness rather than day 4. Includes periods of self-isolation where the self-isolation was in accordance with guidance issued by Public Health England (and equivalent bodies in the rest of the UK). Reimbursement of SSP payments of up to 14 days per employee for employers with fewer than 250 employees where the absence relates to COVID-19.</li> <li>• <b>Coronavirus Job Retention Scheme:</b> An unprecedented rescue package which allows employers to 'furlough' their staff who have no work to do and claim back 80% of their basic pay up to a maximum of £2,500 per month per employee (plus employer costs including NICs and some pension contributions). Initially in place for 3 months from 1 March 2020, the scheme has been extended for a further month. The Scheme allows employers an invaluable opportunity to continue to employ and pay employees whilst they review and take stock and avoids the need for knee-jerk reactions.</li> </ul>
<b>Tax aspects</b>	<p>The UK Government and HMRC are introducing continually evolving measures to the tax system to minimise the impact of the Covid-19 outbreak on companies including:</p> <ul style="list-style-type: none"> <li>• <b>VAT Deferral and Corporation Tax Interest Payments:</b> UK VAT registered businesses required to make a VAT payment (except under the VAT MOSS) between 20 March 2020 and 30 June 2020 can now defer this payment (with no interest or penalties). No similar deferral system has been introduced in respect of corporation tax instalment payments, but the interest rate for unpaid quarterly corporation tax instalments payments has been reduced to 1.1%.</li> <li>• <b>Business Rates:</b> An automatic business rates holiday is to be put in place for eligible retail, hospitality and leisure businesses, and nurseries in England during the 2020/2021 tax year. Similar business rate holiday regimes have been implemented throughout the United Kingdom (and in Scotland this has been extended to the aviation industry, other than most airlines) (see Financial Support section above).</li> <li>• <b>HMRC's Time to Pay Service:</b> Businesses in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through this existing service (assessed on a case-by-case basis). Support may include agreeing an instalment arrangement, suspending debt collection proceedings and cancelling penalties and interest where the taxpayer has administrative difficulties in contacting or paying HMRC immediately.</li> <li>• <b>Stamp Duty:</b> Instruments subject to stamp duty will not (for the time being) be physically stamped and should, instead, be sent in electronically. The Stamp Office will now accept electronic signatures.</li> </ul> <p>There are currently no relaxations in the UK corporate residence rules (although HMRC confirmed that a holistic view of the facts and circumstance will be taken in each case). Companies should consider the tax residence impact of directors or employees continuing to work remotely from different jurisdictions during the outbreak as a result of travel restrictions.</p>
<b>Rental payments</b>	<ul style="list-style-type: none"> <li>• <b>Ban on forfeiture for non-payment:</b> The economic upheaval created by COVID-19 has put strain on the landlord / tenant relationship. Tenants have been approaching, and will continue to approach landlords with requests for relief from paying rent in an effort to ease this pressure. Section 82 of the Coronavirus Act 2020 prohibits the forfeiture of commercial leases from 25 March 2020 until 30 June 2020 (or longer if the government deems it necessary) for non-payment of rent in England and Wales and this position has been broadly replicated in the Coronavirus (Scotland) Act 2020. The tenant's obligation to pay rent is not obviated; tenants are simply protected from forfeiture (irritancy in Scotland) in the event that they fail to pay. Neither Act restricts other remedies that the landlord would ordinarily have (including the issue of a debt claim, and service of a statutory demand). However, court proceedings are likely to be delayed due to the pandemic and due to logistical issues of conducting virtual hearings.</li> <li>• <b>CRAR:</b> In England, statutory demands and winding up petitions issued to commercial tenants are to be temporarily voided and changes are to be made to the use of Commercial Rent Arrears Recovery (CRAR) as some commercial landlords have been turning to the CRAR regime as a way of recovering</li> </ul>

	<p>unpaid rent. The ban on winding up petitions will last until at least 30 June 2020 (in line with the timings for the existing restrictions under the Coronavirus Act 2020, and subject to extension on the same basis).</p>
<b>Regulatory filings or company registrations</b>	<ul style="list-style-type: none"> <li>• <b>Filing of company accounts:</b> From 25 March 2020, companies have the right to apply for a three month extension for filing their accounts at Companies House, making a short online application via the Companies House website. Whilst companies must apply for the extension in order to avoid penalties for late filing of accounts, the government has indicated that any application which cites issues around COVID-19 will be automatically granted an extension.</li> <li>• <b>Strike off of companies:</b> From 16 April 2020, Companies House is pausing the strike off process to prevent companies from being dissolved. This is to protect those who may wish to object to a company being struck off where a voluntary strike off application has been made by a company.</li> <li>• <b>Late payment penalties:</b> Companies House announced on 16 April 2020 that it will treat late filing penalty appeals sympathetically where the late penalty was caused by the COVID-19 outbreak. They are also offering additional support with payment plans for late payment penalties.</li> </ul>
<b>Insolvency laws</b>	<p>COVID-19 has significantly disrupted business operations across sectors on an unprecedented scale. It presents an imminent threat to the solvency of companies which, a few weeks ago, may have had no such concerns. The government has pledged to do “whatever it takes” to support good businesses in financial distress. A key feature of the government’s response has been reform and relaxation of insolvency legislation:</p> <ul style="list-style-type: none"> <li>• <b>Reform of Insolvency Law:</b> The insolvency and corporate governance reforms, <a href="#">previously consulted on in 2018</a>, will be implemented, pushing the UK to a more debtor friendly market. The reforms include a prohibition on ipso facto clauses, a pre-insolvency moratorium and a new restructuring plan (similar to the existing scheme of arrangement but with a cross-class cram down mechanism (similar to that in a Chapter 11 in the US)).</li> <li>• <b>Relaxation of “wrongful trading” legislation:</b> The UK Government has announced the temporary suspension of the wrongful trading provisions in the Insolvency Act 1986 for three months retrospectively from 1 March 2020. Under these provisions, directors could incur personal liability for continuing to trade beyond the point at which they knew or ought to have known there was no reasonable prospect of avoiding a formal insolvency process. Whilst the remainder of directors’ duties stay in place, it is thought that removing the threat of personal liability may encourage directors to explore other avenues before entering an insolvency process (including incurring additional indebtedness under government schemes). The legislation is yet to be introduced</li> </ul>
<b>Corporate activities and officers’ duties</b>	<ul style="list-style-type: none"> <li>• <b>Directors’ duties:</b> See sections on regulatory filings and insolvency laws above.</li> <li>• <b>Annual General Meetings:</b> Every UK public company must hold an annual general meeting within six months of the end of its financial year. The <a href="#">UK Government</a> announced that it will introduce new legislation to ensure companies can hold AGMs safely, including by holding them online or postponing meetings. This follows an earlier <a href="#">guidance note</a> published jointly by The Chartered Governance Institute which suggested a number of approaches companies might consider adopting to hold an AGM including: <ul style="list-style-type: none"> <li>a) adapt the current format, for example by encouraging proxy voting, facilitating online voting and using satellite venues to host the AGM;</li> <li>b) delay convening the AGM;</li> <li>c) postpone or adjourn the AGM; or</li> <li>d) conduct a hybrid AGM (a combination of a physical and electronic meeting).</li> </ul> </li> </ul> <p>This guidance has now been updated (<a href="#">supplementary guidance note</a>) following enactment of COVID legislation relating to health protection measures. Further guidance has also been published by BEIS and FRC in a <a href="#">Q&amp;A document</a> pending the introduction of new legislation.</p> <p>Whilst the constitution of public companies may already provide for “virtual meetings” the consensus view that proceeding on this basis alone is likely to run the risk of shareholder meetings being held to be invalid. That said, several UK public companies have already announced a shift to upcoming AGMs, with physical attendance prohibited other than the number required for the meeting to be quorate (essentially hybrid meetings with strict restrictions on physical attendance).</p> <ul style="list-style-type: none"> <li>• <b>Board meetings:</b> The Chartered Governance Institute has published <a href="#">guidance</a> to companies on holding virtual board and committee meetings. This suggests good practice measures which a board should follow, including selecting the right platform for hosting the meeting; how to ensure a quorum is present; and how to effectively chair a meeting. Companies should also consider whether an alternative method can be used to make decisions, for example by passing written resolutions.</li> </ul>