



EY Tax Covid-19 Response Tracker

24 March 2020



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working world

Important notes

- ▶ This document provides a snapshot of the policy changes that have been announced in jurisdictions around the world in response to the Covid-19 crisis. It is designed to support conversations about policies that have been proposed or implemented in key jurisdictions
- ▶ Policy changes across the globe are being proposed and implemented on a daily basis. This document is updated on an ongoing basis but not all entries will be up-to-date as the process moves forward. In addition, not all jurisdictions are reflected in this document
- ▶ You should consult with your EY engagement team to check for new developments

Jurisdictions covered

Argentina (updated 24 March 2020)	Curacao*	Germany	Japan	Netherlands	Qatar	Taiwan
Australia (updated 24 March 2020)	Cyprus	Ghana	Kenya	New Zealand	Russia	Thailand
Austria*	Czech Republic	Gibraltar	Latvia*	Nigeria	Rwanda*	Turkey (updated 24 March 2020)
Armenia*	Denmark	Greece	Lithuania	Norway	Saudi Arabia	Ukraine
Belgium (updated 24 March 2020)	Ecuador	Hong Kong	Luxembourg	Paraguay	Singapore	United Arab Emirates
Brazil	Egypt	Hungary	Macedonia*	Peru	South Africa*	United Kingdom
Canada	Estonia*	Indonesia	Malaysia	Philippines	South Korea	United States (updated 24 March 2020)
Chile	European Union	Ireland	Mauritius*	Poland	Spain	Venezuela
Mainland China	Finland (updated 24 March 2020)	Israel	Mexico	Portugal (updated 24 March 2020)	Sweden (updated 24 March 2020)	Vietnam
Colombia	France	Italy (updated 24 March 2020)	Moldova	Puerto Rico*	Switzerland (updated 24 March 2020)	

Overview

- ▶ Argentina has issued emergency measures to address economic impact of Covid-19 pandemic.
- ▶ Suspension by the Federal tax authority between 18 and 31 March 2020 of procedural time limits related to federal tax, social security and customs obligations. This measure does not include the extension on regular deadlines previously established for tax returns filings and payments
- ▶ Federal tax authority agencies will limit on-site attention to taxpayers until March 31, 2020, rescheduling the appointments already planned. Other Government agencies (e.g. Inspection Board of Legal entities) are limiting/restricting on-site attention
- ▶ Suspension of time limits between March 20 and March 31, 2020 on all administrative procedures ruled by Law No. 19,549

Personal Tax

- ▶ Extension of due date to 30 April 2020 for employees to inform their employers on general and personal deductions for income tax applicable for tax year 2019 (Form 572)
- ▶ Extension of due date to 29 May 2020 for employers to prepare annual income tax on their employees for tax year 2019

Value Added Tax (VAT), Goods and Services Tax (GST) and Trade

- ▶ Exemption of import duties for medical supplies and vaccines
- ▶ Expedition on export drawbacks

Business tax

- ▶ Exemption of Social Security taxes for certain companies engaged in activities particularly affected by the COVID-19 pandemic (e.g. tourism, entertainment industries, restaurants, hotels and passenger transport activities). This exemption could potentially be extended to companies dealing with logistic or supply chain issues due to the pandemic
- ▶ Reduction for 90 days of 95% of Social Security contributions for employers on health activities
- ▶ Reduced 0.25% and 0.5% rates (instead of general 0.6% and 1.2%) on tax on debits and credits in bank accounts for employers on health activities for 90 days.
- ▶ Mandatory use of electronic filings with the Federal Tax authorities on certain proceedings and formalities until 30 June 2020.

Links and resources

Government materials

- ▶ <https://www.argentina.gob.ar/noticias/los-ministros-de-economia-y-de-desarrollo-productivo-anunciaron-un-paquete-de-medidas-para>
- ▶ <http://servicios.infoleg.gob.ar/infolegInternet/verNorma.do?id=335646>
- ▶ <http://servicios.infoleg.gob.ar/infolegInternet/verNorma.do?id=335423>

Overview

As a counter measure to the outbreak of Covid-19 in Armenia, the draft Government decree introduces support to businesses in the form of co-financing, re-financing, or subsidizing interest of targeted loans when borrowing them from licensed banks or credit organizations operating in the territory of Armenia.

- By co-financing, the legislator aims to partially reduce the risk of currency volatility, partially decrease interest expenses, as well as resolve the problem of insufficient level of security means for the businesses.
- By refinancing, the legislator aims to completely neutralize the risk of currency volatility and partially decrease interest expenses.
- Finally, by subsidizing the interest, the legislator aims to substantially reduce interest expenses incurred by businesses.

Only one of the above three forms of assistances may be applied per business.

Personal Tax

VAT, GST and Trade

Business tax

Links and resources

Government materials

<https://www.gov.am/am/news/item/14159/>

Overview

Federal Government

- ▶ On 12 March 2020, the Federal Government announced an economic package of A\$17.6b, including A\$11b in planned expenditures by 30 June 2020. This response adds to a previously-announced A\$2.4bn health package.
- ▶ On 22 March 2020, the Government announced a second A\$66b economic stimulus package, including measures planned to stimulate multiple aspects of the Australian economy.
- ▶ On 24 March, 2020, Parliament passed the above-noted economic stimulus packages and the legislation has received Royal Assent.

States and Territories Governments

- ▶ Australian Capital Territory - announced a A\$137m economic survival package.
- ▶ **New South Wales** - announced a healthcare support and a A\$1.6b stimulus package.
- ▶ **Northern Territory** - announced a A\$65m Jobs Rescue and Recovery Plan.
- ▶ **Queensland** - announced an extension of its COVID-19 payroll tax deferral offer to eligible QLD businesses.
- ▶ **South Australia** - announced an immediate economic stimulus package worth A\$350m with further details to be announced.
- ▶ Tasmania - announced a A\$420m stimulus package targeted at the hospitality, tourism, seafood and export sectors.
- ▶ **Victoria** - announced a A\$1.7b economic survival and jobs package.
- ▶ **Western Australia** - announced a A\$607m stimulus package.

Personal tax

- ▶ The Australian Taxation Office (ATO) has been issuing frequently asked questions which include guidance for employees stranded in foreign countries.
- ▶ **Temporary early release of superannuation** - enable individuals and sole traders directly impacted by COVID-19 to access up to A\$10k of their superannuation, tax-free, in 2019-20, and up to a further A\$10k in 2020-21 with no tax imposed on withdrawals.
- ▶ **Temporary reduction in superannuation minimum drawdown rates** by 50% for the 2019-20 and 2020-21 income years.

VAT, GST and Trade

Mainly administrative concessions related to GST payments:

- ▶ Refer to section below on ATO administrative concessions.
- ▶ Businesses must contact the ATO to obtain these.

Assistance for severely impacted regions and industry sectors include:

- ▶ Federal Government allocation of A\$1b to communities most heavily reliant on tourism, agriculture and education sectors on a case-by-case basis.
- ▶ Federal Government has announced a A\$715m aviation rescue package for Australian airlines.
- ▶ Tasmanian Government has announced a A\$420m stimulus package targeted at the hospitality, tourism, seafood and export sectors.

Business tax

Federal Government incentives include:

Tax incentives for businesses with aggregated annual turnover below \$500m enacted

- ▶ **Instant asset write-off (IAWO) increased from A\$30,000 to A\$150,000:** Applies to new or second-hand assets first used or installed ready for use from 12 March until 30 June 2020. The increase in the IAWO threshold applies to businesses with aggregated annual turnover of less than A\$500m (up from the current A\$50m threshold). The threshold applies on a per asset basis, so eligible businesses can immediately write-off multiple assets. The IAWO will revert to A\$1,000 for small businesses (turnover less than A\$10m) from 1 July 2020.
- ▶ **Accelerated tax depreciation until 30 June 2021:** A 15-month investment incentive, by accelerating depreciation to 50% of the cost of a new asset (depreciable under Division 40 of the ITAA 1997) on installation, acquired after announcement (12 March 2020) and first used or installed by 30 June 2021. Existing depreciation rules apply to the balance of the asset's cost.

Other tax measures enacted for small and medium-sized businesses

- ▶ **Cash flow support for employers:** Tax-free payment of up to a A\$100,000 for small and medium-sized businesses with an aggregated annual turnover of less than A\$50m that employ workers. These eligible businesses will receive a tax free payment equal to 100% of their pay-as-you-go (PAYG) withholding from March to June 2020, with a minimum A\$10,000 payment and a cap of A\$50,000. There is a second payment equivalent to the first from 28 July 2020.
- ▶ **Support for apprentices and trainees:** Eligible small business employers with fewer than 20 employees can apply for a wage subsidy of 50% of the apprentice's or trainee's (in training as at 1 March 2020) wage for up to 9 months from 1 January to 30 September 2020, up to A\$21,000 per apprentice. Employers can register for the subsidy from early April 2020 with final claims for payment due by 31 December 2020.

Business tax (cont.)

ATO administrative concessions for businesses affected by COVID-19 - not automatic (businesses must contact the ATO)

- ▶ Payment deferrals - Up to six months deferral of tax obligations through Business Activity Statements (BAS), income tax assessments, fringe benefits tax (FBT) and excise tax. BAS liabilities may be subject to greater scrutiny particularly where the amount due arises from amounts withheld from others for GST and/or PAYG;
- ▶ Changes of business reporting cycle to monthly where GST refunds are available.
- ▶ PAYG instalments support - Allowing businesses to vary such instalment amounts to zero for the March 2020 quarter. Businesses that vary PAYG instalments to zero can also claim a refund for any instalments made for the September and December 2019 quarters.
- ▶ Remission of interest and penalties on tax liabilities incurred on or after 23 January 2020 for COVID-19 affected businesses.
- ▶ Low interest payment plans on ongoing tax liabilities for affected businesses.
- ▶ Access to relief options are based on discussions with the ATO and will vary on a case-by-case basis.

The ATO has also been issuing guidance including:

- ▶ International tax - central management and control may not be in Australia if a nonresident company holds board meetings in Australia due to travel restrictions. Similarly, unplanned employee presence of a foreign company in Australia may not lead to a permanent establishment in Australia.

Business tax (cont.)

State government responses

- ▶ Notably changes to payroll tax arrangements, focusing on small to medium businesses and ranging from refunds and waivers to changes to thresholds.
- ▶ Refer to overview section for size of overall stimulus state by state

Links and resources

EY Materials

Rolling updates from Australia and New Zealand: https://www.ey.com/en_au/covid-19/oceania-covid-19-response

Tax Alert on first stimulus package: <https://asia-pac.ey-vx.com/287/14380/landing-pages/ey-tax-alert---australian-government-12-march-economic-package-including-tax-and-investment-incentives---analysis.pdf>

Global Tax Alert on the second Australian stimulus package: <https://gtm.ey.com/news/2020-5431-australian-government-announces-economic-package-to-support-workers-and-businesses?uAlertID=7kxDzY%2fZLdly1dMntVAOUA%3d%3d>

Federal Government materials

Omnibus Measures Bill 2020: <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fbillhome%2F6521%22>

First stimulus package: https://treasury.gov.au/sites/default/files/2020-03/Overview-Economic_Response_to_the_Coronavirus.pdf

Second stimulus package: https://treasury.gov.au/sites/default/files/2020-03/Overview-Economic_Response_to_the_Coronavirus_0.pdf

ATO materials:

ATO tailored support for large businesses: https://www.ato.gov.au/Business/Business-bulletins-newsroom/General/Support-for-large-business-impacted-by-COVID-19/?utm_campaign=businessbulletins16Mar20&utm_source=newsletter&utm_medium=email&utm_content=article3#LargeBusinessServices

ATO answering FAQs landing page: https://www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/COVID-19/?page=2#COVID_19_frequently_asked_questions

Overview

Measures to strengthen the Austrian economy include:

- ▶ A Corona crisis management fund endowed with EUR 38 billion with the main objective of improving liquidity of Austrian businesses. Measures include:
 - ▶ State guarantees and state liabilities for loans,
 - ▶ Emergency aid for industries most affected,
 - ▶ or tax moratoriums,
 - ▶ Hardship fund for SMEs (direct cash aid, not to be paid back)
- ▶ COVID-19-Short Time Work
 - ▶ for three months,
 - ▶ working hours can be reduced by an average of up to 90%,
 - ▶ Government refunds a significant part of the wages, wage taxes and related expenses as well as social security

Personal Taxes

- ▶ Taxpayers affected by a loss of income due to the SARS-CoV-2 virus can apply for a reduction of advance payments of direct taxes for the calendar year 2020. The advance payment can even be set to zero.
- ▶ Tax liabilities, wage taxes, wage tax related duties and social security payments due can be deferred on application without interest.

Indirect Taxes (VAT, GST and Trade)

- ▶ Taxpayers can apply for deferred or installment payments in connection with monthly VAT returns, provided that the taxpayers can prove an adverse impact of the COVID-19 outbreak on its liquidity. Monthly VAT returns still need to be duly filed.
- ▶ The deferral is exempt from interest.

Business tax

- ▶ Taxpayers affected by a loss of income due to the SARS-CoV-2 virus can apply for a reduction of advance payments of direct taxes for the calendar year 2020. The advance payment can even be set to zero.
- ▶ Tax liabilities, wage taxes, wage tax related duties and social security payments due can be deferred on application without interest.

Links and resources

Government materials:

- ▶ <https://www.bmf.gv.at/public/informationen/informationen-coronavirus.html>
- ▶ <https://www.ams.at/unternehmen/personalsicherung-und-fruehwarnsystem/informationen-unternehmen-coronavirus->

Overview	Personal Tax	VAT, GST and Trade	Business tax	Links and resources
<ul style="list-style-type: none">▶ Support for temporary unemployment benefits due to Covid-19 (under conditions)▶ Cash incentives set out by Belgian Regional authorities available to companies impacted by Covid-19▶ National Labor Council concludes agreement to extend the possibility to introduce temporary unemployment for white collar workers to all Belgian companies		<ul style="list-style-type: none">▶ Upon request, payment plan, waiver of late payment interest and waiver of penalties for non-payment is available (conditions need to be met)▶ Periodic VAT returns <p>Return for February 2020, normal deadline being 20 March 2020: deadline extended until 6 April 2020.</p> <p>Return for March 2020, normal deadline being 20 April 2020: deadline extended until 7 May 2020.</p> <p>Return for the first quarter of 2020, normal deadline being 20 April 2020: deadline extended until 7 May 2020.</p> <p>Payment of VAT</p> <p>An automatic deferral of payment of 2 months for VAT without having to pay fines or interest applies. This deferral will apply to:</p> <p>VAT payment for monthly return - February 2020, normal deadline being 20 March 2020: deadline extended until 20 May 2020</p> <p>VAT payment for monthly return - March 2020, normal deadline 20 being April 2020: deadline extended until 20 June 2020</p> <p>VAT payment for monthly return - first quarter of 2020, normal deadline being 20 April 2020: deadline extended until 20 June 2020</p> <p>In addition to this automatic deferral of payment, taxpayers can also apply for instalment payments of the debts relating to VAT</p>	<ul style="list-style-type: none">▶ Upon request, payment plan, waiver of late payment interest, and waiver of penalties for non-payment is available (conditions need to be met)▶ Increased tolerance for home office workers to not constitute a PE in view of the Belgium-Luxembourg tax treaty▶ Increased tolerance for home office workers to not constitute a PE in view of the Belgium-France tax treaty▶ Furthermore, there are measures in place for companies that suffer from financial trouble caused by the COVID-19 situation. They can complete an application form. This application allows additional payment periods, an exemption from default interest and/or remission of fines for late payment	<p>Government materials</p> <ul style="list-style-type: none">▶ https://finances.belgium.be/fr/entreprises/mesures-de-soutien-dans-le-cadre-du-coronavirus-covid-19▶ https://finances.belgium.be/fr/Actualites/convention-belgo-luxembourgeoise-preventive-de-la-double-imposition-mesure-exceptionnelle▶ https://finances.belgium.be/fr/Actualites/%ef%83%98belgique-france-regime-travailleurs-frontaliers---coronavirus-covid-19▶ https://www.onem.be/fr/nouveau/chomage-temporaire-la-suite-de-lepidemie-de-coronavirus-covid-19-en-chine-et-dans-dautres-pays-ou-la-maladie-sest-propagee-update-18032020

Overview	Personal Tax	VAT, GST and Trade	Business tax	Links and resources
<ul style="list-style-type: none">▶ The Brazilian Minister of Economy on 16 March presented proposals to counter the economic slowdown deriving from the coronavirus spread. The proposals will need to be analyzed and debated by Congress. The tax related items are mainly focused on making medical related items cheaper, as well as to help small businesses.▶ Extended term for payment of the Federal taxes under the “Simple” system: simplified taxation applicable to small companies.▶ Postponement of deadlines related to collection assessments and facilitation to join debts program.▶ There are also proposals that lead to reduction in the cost of labor: (a) extended term for payment of contributions to employees Severance Indemnity Fund (FGTS) for 3 months; (b) 50% reduction on a portion of contributions due on payroll (“Sistema S” for a period of 3 months).▶ Other proposals to allow for better access to financing, or to have anticipated cash payments to certain individuals: (a) Proger/FAT credit for micro and small businesses; (b) simplification of requirements for contracting credit and exemption of documentation for credit negotiation; (c) Anticipation of the 1st installment payment of the 13 salary for retirees and pensioners for April and the 2nd installment payment for May; (d) release of BRL 15 billion in benefits of up to R\$ 200.00 for informal and self-employed workers for the next three months.▶ The Central Bank reduced the SELIC rate (basic interest rate of the Brazilian economy) in 0.5% (from 4.25% to 3.75%).▶ Postponement of loan payments made through Caixa Economica (Federal Bank) for at least 2 months (individuals and companies) and reduction on interest rates of loans. The bank has also released funds to loans for public hospitals (BRL 3 billion).	<ul style="list-style-type: none">▶ The Government is evaluating the extension of the deadline for the submission of Individual Income Tax returns for 2020, base year 2019. Currently the period for submitting the IR is from March 2 to April 30.	<ul style="list-style-type: none">▶ Reduction to 0% of the Import Duty due on import of products necessary to counter covid-19 until September 2020. Products are listed on Annex I of CAMEX Resolution #17/20.▶ Simplification and acceleration of customs clearance process for products related to counter covid-19 (fixed assets and raw materials).▶ <i>While the above two measures are already enacted, the government is also proposing exemption of Excise Tax for local and imported products to counter covid-19.</i>		<p>Government materials</p> <ul style="list-style-type: none">▶ Imported products subject to Import Duty Reduction: http://www.in.gov.br/en/web/dou/-/resolucao-n-17-de-17-de-marco-de-2020-248564246

Overview

- ▶ On March 18, 2020, Prime Minister Trudeau announced a new set of economic measures to help stabilize the economy to be delivered as part of the Government of Canada's COVID-19 Economic Response Plan. The Plan will provide up to CAD\$27 billion in direct support to Canadian workers and businesses.
- ▶ These new measures were in addition to a coordinated package of measures to support the functioning of markets, the resilience of the financial sector and continued access to financing for Canadian businesses on March 13, 2020 by the Minister of Finance, Governor of the Bank of Canada and Superintendent of Financial Institutions.
- ▶ Canadian provincial governments have also announced stimulus measures within their own jurisdictions.
- ▶ The Bank of Canada on 4 March cut the key interest rate by 0.5% to 1.25% due to Coronavirus concerns. The bank stated that it's becoming clear the country will not grow as much as its previous forecasts indicated with rail line blockades, teacher strikes in Ontario and a harsh winter also impacting on growth.

Personal Tax

- ▶ The Canada Revenue Agency (CRA) will defer the filing due date for the 2019 tax returns of individuals, including certain trusts.
- ▶ For individuals (other than trusts), the return filing due date will be deferred from April 30 until June 1, 2020. Individuals who expect to receive benefits under the GSTC or the Canada Child Benefit are encouraged not to delay the filing of their return to ensure their entitlements for the 2020-21 benefit year are properly determined.
- ▶ For trusts having a taxation year ending on December 31, 2019, the return filing due date will be deferred from March 31 until May 1, 2020.
- ▶ The CRA will allow all taxpayers to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after March 18, 2020 and before September 2020. This relief would apply to tax balances due, as well as instalments, under Part I of the *Income Tax Act*. No interest or penalties will accumulate on these amounts during this period.
- ▶ To reduce the need for taxpayers and preparers to meet in person and reduce administrative burden, the CRA will recognize electronic signatures as meeting the signature requirements of the *Income Tax Act*, as a temporary measure..

VAT, GST and Trade

- ▶ See under "Business Tax": The CRA will not contact any small or medium (SME) businesses to initiate any post assessment GST/HST or Income Tax audits for the next four weeks. The Canada Revenue Agency will temporarily suspend audit interaction with taxpayers and representatives for most of these businesses.

Business tax

- ▶ The return filing due date for corporations has not been deferred.
- ▶ However, the CRA will allow all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after today and before September 2020. This relief would apply to tax balances due, as well as instalments, under Part I of the *Income Tax Act*. No interest or penalties will accumulate on these amounts during this period.
- ▶ The CRA will not contact any small or medium (SME) businesses to initiate any post assessment GST/HST or Income Tax audits for the next four weeks. The CRA will temporarily suspend audit interaction with taxpayers and representatives for most of these businesses.
- ▶ The CRA's Liaison Officer service offers help to owners of small businesses to understand their tax obligations. Traditionally available in-person, this service is now available over the phone and will be customizing information during these challenging times by ensuring small businesses are aware of any changes such as filing and payment deadlines, proactive relief measures, etc.

Links and resources

Government materials

- ▶ <https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html>

EY materials

- ▶ <https://globaltaxnews.ey.com/news/2020-5405-canada-announces-certain-tax-measures-to-support-canadians-and-businesses>

Overview

- ▶ The Chilean IRS has launched new online tools in its website enabling the acquisition of tax ID, and improving managing of monthly taxes.
- ▶ The Treasury on 10 March put in place an incentive economic package mainly focused on the supply of funds and to support small/medium business for an amount of USD \$11,750 Million, equivalent to 4.7% of Chilean GDP. Benefits include sanitary systems, family revenues and employment protections.
- ▶ Local banks have announced a waiver on the prospective deadlines for loans and interests granted (benefit for March).

Personal Tax

VAT, GST and Trade

- ▶ The Government is considering postponing VAT payment due for March.
- ▶ Customs has issued a Circular waiving penalties for amendment of documents needed in the context of Covid-19.

Business tax

- ▶ Postponing tax sworn statements.
- Small / medium companies:**
- ▶ Deferral of VAT payments for the next 3 months.
 - ▶ Deferral of Real Estate Tax return (to be paid in April)
 - ▶ Deferral of income tax return until July 2020.
 - ▶ Relieve measures for tax debt, with the objective of improving payment agreements.
- All companies;
- ▶ Monthly advance payments (in advance of Corporate Tax) are suspended for the next 3 months.
 - ▶ Exemption of Stamp tax (applicable to credit cash operations) for the next 6 months.
 - ▶ Deductibility of all expenses incurred by Chilean companies that are COVID-19 related.

Links and resources

Government materials

- ▶ http://www.sii.cl/servicios_online/index.html

Overview

- ▶ Remove the cap on foreign debt for enterprises where it is necessary
- ▶ Pump a total of 1.2 trillion yuan (USD 172 billion) via reverse repos to inject funds into the market to ensure ample liquidity and supply
- ▶ Adopt financial measures covering aspects including liquidity and credit, livelihood finance, financial infrastructure, foreign exchange and cross-border Renminbi business
- ▶ The Ministry of Finance also issued relevant fiscal policies, involving loan interest subsidy and guarantee fee reduction
- ▶ Local government departments also released a series of intellectual property (IP) related measures (e.g., IP financing from financial institution, "green channel for registration")
- ▶ Local governments also announced other policy measures to support enterprises' resumption of operation (e.g., providing subsidy, online approval for investment projects)

Personal Tax

- ▶ Individual Income Tax (IIT) exemption on additional allowance and bonus for medical staffs and qualifying personnel who has been involved in Covid-19 prevention, treatment and or handling related emergencies
- ▶ IIT exemption on medicines, medical supplies and protective equipment provided from enterprises to employees
- ▶ Qualifying donations are allowed to be deducted in full for IIT purposes
- ▶ Social securities and housing funds that are contributed by enterprises may be reduced and exempted temporarily

VAT, GST and Trade

- ▶ Enterprises of key medical and daily living supplies (KSMes) may apply to the competent tax authorities for a full refund of the incremental input Value Added Tax (VAT) credits incurred after the end of December 2019 on a monthly basis
- ▶ Exempt VAT for small-scale VAT taxpayers in Hubei and reduce VAT collection rate for those in other regions (effective from 1 March 2020 to 31 May 2020)
- ▶ Cross-border donations for supporting the epidemic prevention and control are exempt from import duties and import-level VAT and Consumption Tax (CT)
- ▶ For prescribed imports from USA, the tariff reduction obligations suspended will be resumed and the additional tariffs that have already been levied will be refunded
- ▶ Entities and self-employed industrial and commercial households (SICHs) that donate self-produced, contract-processed or purchased are exempt from VAT, CT and local tax/surcharges
- ▶ Temporarily waive on-site inspection for designated taxpayers' application for VAT invoices
- ▶ Provide more convenience for export VAT filing and accelerate tax refund process amid the epidemic control
- ▶ Local government introduced Real Estate Tax and Urban Land Use Tax relief policies
- ▶ Big data analysis (particularly the data on VAT invoices) is leveraged to assist governments in making well-informed decisions
- ▶ The Beijing Tax authority launched the blockchain-based general VAT invoice on a pilot basis

Business tax

- ▶ Equipment purchased by the manufacturing enterprises of KSMes for expanding production capacity is allowed to be one-off deducted in the same period for CIT purposes
- ▶ Extend the carry-forward period for loss incurred in 2020 from 5 to 8 years for qualifying enterprises
- ▶ Qualifying donations are allowed to be deducted in full for CIT purposes
- ▶ Better law enforcement: tax authority should not: carry out tax inspections against taxpayers without significant risks; carry out on-site inspections without approval; stop issuing invoices to taxpayers who act in accordance with laws
- ▶ Take measures to ensure thorough implementation of tax and fee incentives, including providing timely public guideline, improving IT system and strengthening supervision/ evaluation among tax authorities at all levels
- ▶ Extend the tax filing deadline for February and March 2020, and promote non-contact services, including online service, personalize services and service by appointment

Links and resources

Government materials

- ▶ <http://www.chinatax.gov.cn/eng/n4260854/c5146227/5146227/files/2c0c7d469b204e000057d2bf27f5f36.pdf>

EY materials

- ▶ [https://www.ey.com/Publication/vwLUAssets/ey-ctie-2020010-eng/\\$FILE/ey-ctie-2020010-eng.pdf](https://www.ey.com/Publication/vwLUAssets/ey-ctie-2020010-eng/$FILE/ey-ctie-2020010-eng.pdf)
- ▶ [https://www.ey.com/Publication/vwLUAssets/EY-CTIE-2020009-ENG/\\$FILE/EY-CTIE-2020009-ENG.pdf](https://www.ey.com/Publication/vwLUAssets/EY-CTIE-2020009-ENG/$FILE/EY-CTIE-2020009-ENG.pdf)
- ▶ [https://www.ey.com/Publication/vwLUAssets/ey-ctie-2020008-eng/\\$FILE/ey-ctie-2020008-eng.pdf](https://www.ey.com/Publication/vwLUAssets/ey-ctie-2020008-eng/$FILE/ey-ctie-2020008-eng.pdf)
- ▶ [https://www.ey.com/Publication/vwLUAssets/EY-CTIE-2020007-ENG/\\$FILE/EY-CTIE-2020007-ENG.pdf](https://www.ey.com/Publication/vwLUAssets/EY-CTIE-2020007-ENG/$FILE/EY-CTIE-2020007-ENG.pdf)
- ▶ [https://www.ey.com/Publication/vwLUAssets/EY-CTIE-2020006-ENG/\\$FILE/EY-CTIE-2020006-ENG.pdf](https://www.ey.com/Publication/vwLUAssets/EY-CTIE-2020006-ENG/$FILE/EY-CTIE-2020006-ENG.pdf)

Overview	Personal tax	VAT, GST and Trade	Business tax	Links and resources
		<ul style="list-style-type: none"> ▶ In the case of companies engaged in hoteling services, air travel services, Theatrical activities and show business activities. Due to the impact COVID-19 has had in these business, the due dates for filing the March-April VAT return (for taxpayers which must file VAT returns Bi-monthly) and January - April VAT return (for taxpayers who must file VAT returns quarterly) were postponed until June 30, 2020 (usually the due dates are in May). ▶ customs duties applicable to the importation of certain medicines, medical equipment and devices as well as non-locally produced goods for the use of air travel industry were reduced to 0%. ▶ VAT due dates for taxpayers engaged in the provision of alcoholic beverage in situ, restaurants, travel agencies and tour operators were deferred to June 30th. The payment of the VAT tax return for the period March-April, originally due on the first two weeks of May. ▶ Due dates for filing the May-April consumption tax returns for taxpayers engaged in the provision of alcoholic beverage in situ and restaurants were deferred to June 30th. The payment of the consumption tax return for the period March-April, originally was due on the two and third week of May. 	<ul style="list-style-type: none"> ▶ Due dates for filing and paying income tax return for companies engaged in hoteling services, air travel services, Theatrical activities, show business activities, were postponed for the second semester of 2020. ▶ Colombian Government issued a Decree by means of which defers the income tax return filing and payment dates in relation to companies, however such deferral is just for one week. ▶ In relation to large taxpayers, income tax filing and installment payment (this is the second installment which is paid on the same date of the filing). Original dates were between April 14th to April 27th, now due dates are between April 21st to May 5th. ▶ In regards to financial institutions qualified as large taxpayers, first installment payment. Original dates were between April 14th to April 27th, now the due dates are between April 21st to May 5th. ▶ For regular taxpayers income tax filing and installment payment (this is the first instalment): Original due dates were between April 14th to May 10th, now due dates are between April 21st to May 19th. ▶ the Government issued some regulations to allow personnel of companies located in Free Trade Zones (FTZ) to work outside the FTZ area by using any telecommunication equipment or technology that allows remote connection of the personnel (in normal circumstances, companies located in free trade zones must undertake all its activities within the physical location of the FTZ to access to the tax and customs benefits granted under the FTZ regime) 	

Overview

- ▶ Banks and credit institutions are permitted to postpone interest and principle payments for their customers for a period of 3-6 months without recognizing a provision.
- ▶ Banks are temporarily permitted to exceed the debt to service ratio to a maximum of 50% (currently 37%).
- ▶ Life insurance companies and pension companies are allowed to postpone premium payments for 3-6 months without recognizing a provision.
- ▶ With immediate effect, the Central Bank of Curacao and Sint Maarten (CBCS) has restricted (and in some cases suspended) the issuance of licenses for foreign exchange transactions. This license is required for financial transactions starting as of ANG 150,000 (approximately USD 84,250). This restriction also applies to existing license applications which have not yet been granted.
- ▶ The lending rate for commercial banks has been reduced to 1%. Additionally, the extra interest rate of 200 basis points for loans exceeding ANG 20 million is suspended.
- ▶ Banks are allowed to maintain a negative balance with the CBCS.
- ▶ The interest on so called "certificates of deposit" will be reduced to retain money in the market.

Personal Tax

- ▶ **Payment arrangements for outstanding tax liabilities** :Ongoing payment arrangements and granted extensions of payment may be suspended upon request. Companies and (self-employed) individuals can file a request for temporary suspension of payment with the Tax Collector.
- ▶ **Project 'Compliance' will be temporarily suspended:** Under 'Project Compliance', the Curaçao Government worked on creating more awareness with taxpayers regarding their fiscal responsibilities as well as a more effective and active collection of outstanding tax liabilities. As a lot of companies and (self-employed) individuals will be facing financial difficulties in Curaçao, the active pursuit of outstanding tax liabilities in connection with 'Project Compliance' will be suspended.
- ▶ **Reduced interest rate of 0% for late payment** : When companies and (self-employed) individuals fail to pay their tax liability timely, interest for late payment is imposed. However, the interest rate for late payment of outstanding tax liabilities will be temporarily reduced from 6% to 0%.
- ▶ **Suspension of collection costs for outstanding tax liabilities:** Under certain circumstances, the Tax Collector can charge the tax payer for expenses incurred when collecting overdue tax liabilities. As an emergency tax measure, the collection costs for outstanding tax liabilities will not be charged to companies and self-employed individuals.
- ▶ **No fines for late payments** : When tax payers fail to pay or are late with meeting their tax payment obligations, a fine can be imposed. However, as companies and (self-employed) individuals are expected to struggle with meeting tax obligations temporarily no fines will be imposed for no or late payment of outstanding tax liabilities.
- ▶ **Extended possibility to conclude payment arrangements** : Affected companies and self-employed individuals with liquidity problems can conclude new payment arrangements for all taxes and non-taxes.
- ▶ **Increase of the basic income tax allowance** : The basic income tax allowance of ANG 2,284 (2020) will be increased with retroactive effect to 1 January 2020 to an amount yet to be announced. This will lead to an increase in net wage of most individuals, as their taxable income for wage and income tax purposes will be reduced. By increasing the net wages of individuals, the Government aims to stimulate extra spending by the public.

VAT, GST and Trade

- ▶ **0% Import duties and sales tax on hygiene and sanitary/cleaning products** In addition to the introduced measures concerning maximum margins that businesses can apply on the sale of certain goods, the rate of import duties and sales tax on hygiene and sanitary / cleaning products will be reduced to 0%. As these items become more important during the COVID-19 Pandemic, the Government aims to manage the necessary expenses for the public in this regard as much as possible.
- ▶ Items 1-6 under personal income tax also apply to this section in addition to the following measures:
- ▶ **Hospitality and designated businesses do not have to remit the sales tax collected:** In order to provide additional financial relief to the hospitality and designated businesses, these businesses are relieved from remitting the sales tax collected to the Curaçao Tax Authorities. In practice, this means that the hospitality and tourism businesses will charge and collect sales tax from their clients, without remitting the sales tax collected to the Tax Authorities upon filing the monthly sales tax return. Instead these funds can be used by the businesses to cover other expenses.

Business tax

This measure aims to provide a financial relief to the hospitality and tourism businesses, as they can keep the employer's contributions and use these funds to cover other expenses instead.

- ▶ Items 1-6 under personal income tax also apply to this section in addition to the following measure: **Hospitality and designated businesses do not have to remit the employer's contribution for general old age insurance**
- ▶ Employers of the following designated businesses (jointly referred to as "hospitality businesses") will not have to remit the employer's contribution of the general old age insurance (known as the "AOV/AWW premium") of 9.5% to the Tax Authorities:
 - ▶ Businesses in the hospitality sector, which includes hotels and similar businesses that provide accommodation, restaurants, recreation and entertainment venues and convention centers.
 - ▶ Beauty salons
 - ▶ Businesses in the travel industry.
 - ▶ Car rental, car wash and transportation companies

Links and resources

Overview	Personal tax	VAT/GST and Trade	Business measures	EY/Government materials
	<ul style="list-style-type: none"> ▶ Extension of the time-period for filing of objections with the Social Insurance Department by self-employed individuals by one month to 30 April 2020 (deadline was originally 31 March 2020). ▶ A two-month extension to those that are required to submit a tax return by 31 March 2020 (the new 	<ul style="list-style-type: none"> ▶ Temporary two-month deferral of payment of VAT, without the imposition of any penalties applicable to companies with turnover of less than €1 million or where turnover reduced has fallen by more than 25% with reference to the tax returns submitted during 2019. Arrangements can be made so that VAT payable due amounts will be settled gradually by 11 November 2020. ▶ Temporary reduction of VAT on Goods and Services from 19% to 17% for a period of 2 months and from 9% to 7% for a period of 3.5 months, to be effective from enactment of the relevant VAT law. 	<ul style="list-style-type: none"> ▶ Non-payment of the additional contributions to the General Healthcare System (GHS), which was scheduled for 31 March 2020, for two months, by employers, employees and the Government, in order to reinforce the health sector during the fight against the virus and not to affect the income of employees and businesses. ▶ Special arrangements will be made for the ease of those taxpayers that entered the Overdue Taxes Settlement Scheme for the duration of this emergency situation ▶ A two-month extension to those that are required to submit a tax return by 31 March 2020 (the new deadline is 31 May 2020). 	<p>EY materials</p> <p>https://emeia.ey.com/2594/133863/landing-pages/public-support-program-covid-19-en.pdf</p>

Overview

- ▶ Due to the Covid-19 pandemic the Ministry of Finance announced tax liberation measures such as e.g. relief of various sanctions for late filling of selected tax returns and related tax payments.
- ▶ The state will compensate employers for costs incurred for the payment of compensatory wages in the event of disability due to quarantine or provide partial compensation in other Covid-19 related emergency measures.

Personal Tax

- ▶ The personal income tax return for 2019 may be filed and related tax paid by 1 July 2020 without a penalty and related late payment sanctions (standard deadline is 1 April 2020).
- ▶ Automatic removal of the June advance payment on personal income tax without a need to apply.
- ▶ Introduction of Tax Loss Carry-Back for 2020 tax losses to be potentially applied in 2019 and 2018 tax returns.

VAT, GST and Trade

- ▶ Suspension of obligations from electronic records of sales during the state of emergency and in three subsequent months has been announced.
- ▶ Automatic removal of the penalty for late filing of real estate acquisition tax return and related late payment sanctions if the tax return is filed before 31 August 2020.

Business tax

- ▶ The corporate income tax return and annual withholding tax statement for 2019 may be filed and related tax paid by 1 July 2020 without a penalty or related late payment sanctions (this applies to entities with a standard deadline of 1 April 2020).
- ▶ Automatic removal of the June advance payment on corporate income tax without a need to apply.
- ▶ Introduction of Tax Loss Carry-Back for 2020 tax losses to be potentially applied in 2019 and 2018 tax returns.

Links and resources

EY materials

- ▶ <https://emeia.ey-vx.com/2520/139210/landing-pages/extraordinary-tax-news.pdf>
- ▶ <https://emeia.ey-vx.com/2520/139210/landing-pages/government-antivirus-employment-protection.pdf>

Overview

Government is currently trying to prohibit gatherings of 10 people and more. This is, however, subject to some limitations - e.g. in respect of demonstrations, access to supermarkets, etc. - though subject to certain restrictions. The ban is effective as of March 18, 2020.

One of the initiatives from government is to compensate organizers who cancelled or postponed events with more than 1,000 participants from 6 March to 31 March. Whether the compensation initiative should also apply to organizers who have canceled or postponed events with 100 (or less) people or more due to government recommendations has not yet been clarified.

Compensation will require an audit opinion if the relevant amount is above DKK 500k and the insurance company doesn't cover the loss.

Personal Tax

VAT, GST and Trade

For businesses with VAT liable deliveries exceeding DKK 50m on an annual basis, the deadline for such VAT payments are postponed by a month for the months; March, April and May

This only applies for the payment of positive VAT, negative VAT can still be refunded within three weeks of receipt of the VAT statement.

For companies with VAT liable deliveries between DKK 5-50m on an annual basis, the payment of VAT is postponed for the first quarter of 2020 and is now together with the payment deadline of the second quarter of 2020 on September 1st 2020.

For companies with VAT liable deliveries below DKK 5m on an annual basis, the VAT payment of the first half of 2020 has been postponed and is now together with the payment deadline of the second half of 2020 on March 1st 2021.

Business tax

The deadlines for the payments of the payroll tax and labor market contributions are postponed by four months for the months; April, May and June.

This means that the payroll tax and labor market contribution payments for companies with payroll tax of more than DKK 1m or a total labor market contribution of more than DKK 250k, both of which must continue over a 12 month period, are as follows: i) The payment that should have been made on April 30th are postponed until August 31st, ii) May 29th are postponed until September 30th, and iii) June 30th are postponed until October 30th.

For the companies below the thresholds the payments are as follows: i) The payment that should have been made on May 11th are postponed until September 10th, ii) June 10th are postponed until October 12th, and iii) July 10th are postponed until November 10th.

Please keep in mind that only the payment has been postponed, the reporting deadline is maintained.

Links and resources

Government materials:

- ▶ https://www.ft.dk/samling/2019/lovforslag/1134/som_f_remsat.htm

EY materials:

- ▶ [Responding to Covid-19](#)
- ▶ [Denmark changes tax legislation in light of COVID-19](#)
- ▶ [Covid-19 consequences on Tax, Social Security and Immigration](#)
- ▶ [Corona virus \(Covid-19\), The most important labor law issues in the Nordic countries](#)

Overview

- ▶ The Ecuadorian government has declared a "State of Sanitary Emergency" and a "National State of Exception" due to the increase in positive cases of COVID-19 in Ecuador in the last 60 days.
- ▶ Face-to-face work meetings are suspended from 17 to 24 March.

Personal Tax

- ▶ President announces that the tax obligations for the months of April, May and June 2020 could be differed by 6 months, but has not formalized with a decree.

VAT, GST and Trade

- ▶ Import tariffs on medical products necessary to attend the emergency were eliminated.

Business tax

- ▶ The President has announced that tax obligations for the months of April, May and June 2020 could be differed by 6 months, but has not formalized with a decree. Therefore, it is not yet applicable.
- ▶ IRS: The deadlines and terms of all the tax administrative processes and the statutes of limitation of the collection action are suspended, from March 16 to March 31, 2020. This suspension does not apply for tax returns.
- ▶ Extension for a period of 30 days from the original statutory due date for the presentation of the annual balance sheet, profit and loss statement, directors' report, list of administrators, partners and shareholders and others.

Links and resources

Government materials
https://minka.presidencia.gob.ec/portal/usuarios_externos.jsf

[Back to top](#)

Overview

- ▶ The Monetary Policy Committee of the Central Bank of Egypt (CBE) decided to cut the credit and discount rates from 12.75 percent to 9.75 percent.

Personal Tax

VAT, GST and Trade

Business tax

Links and resources

Overview

- ▶ The Estonian government has introduced a stimulus package of €2 billion, which represents 7% of the country's GDP. The aim of the package is to mitigate the situation for employees and businesses in Estonia.
- ▶ The government will use €250 million to support the income of employees who cannot work due to the economic effects of the coronavirus pandemic.
- ▶ The compensation will be based on 70% of the employee's average gross salary of 2019, but will not exceed €1,000 in a month. The compensation will be paid by the Unemployment Insurance Fund on behalf of the employer if the employer complies with certain terms and conditions.

Personal Tax

- ▶ There are no measures announced regarding personal tax.
- ▶ See also *Business tax regarding tax arrears*.

VAT, GST and Trade

- ▶ There are no measures announced regarding VAT.
- ▶ See also *Business tax regarding tax arrears*.

Business tax

- ▶ The tax authorities have suspended the calculation of default interest for the period of emergency with retroactive effect from 1 March 2020.

Links and resources

Government materials

- ▶ <https://www.emta.ee/eng/interests-tax-arrears-suspended-emergency-situation>
- ▶ <https://www.tootukassa.ee/eng/content/financial-benefits/unemployment-insurance-benefit>
- ▶ <https://news.err.ee/1066821/government-approves-250-million-unemployment-fund-for-coronavirus-support>

Overview

- ▶ On Monday 16 March the [European Council](#) issued a statement detailing a range of practical and financial measures on which it will provide support to Member States as part of its coordinated responses to protect the EU economies. These proposals include, amongst other points, using the full flexibility of our State-aid and fiscal frameworks, mobilizing the EU budget to allow the EIB Group to provide short-term liquidity to SMEs, and directing €37 billion to the fight Covid-19 under the Coronavirus Response Investment Initiative.
- ▶ On 20 March the European Commission [proposed the activation](#) of the general escape clause of the Stability and Growth Pact (SGP)

Personal Tax

VAT, GST and Trade

- ▶ See links and resources section
 - ▶ Global Trade/Customs measures from the European Union - On the consequences of the Covid-19 outbreak on anti-dumping and anti-subsidy investigations.
 - ▶ Global Trade/Customs measure from the European Union - Export licenses are required for certain vital products.
 - ▶ Global Trade/Customs measures of the European Union - On conformity assessment and market surveillance procedures within the context of the Covid-19 threat.

Business tax

- ▶ The European Commission, in a [press release](#), notes that it stands ready to work with all Member States to ensure that possible national support measures to tackle the outbreak of the Covid-19 virus can be put in place in a timely manner, in line with EU rules. To this end, the Commission has established a dedicated contact point for Member States to provide them with guidance on possibilities under EU rules.

Links and resources

EU materials

- ▶ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2020.086.01.0006.01.ENG&toc=OJ:C:2020:086:TOC
- ▶ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.LI.2020.077.01.0001.01.ENG&toc=OJ:L:2020:077I:TOC>
- ▶ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.LI.2020.079.01.0001.01.ENG&toc=OJ:L:2020:079I:TOC>

Overview

- ▶ On 16 March 2020, the Government, in cooperation with the president, declared a state of emergency in Finland.
- ▶ Relevant measures are expected in an extraordinary budget bill scheduled to be presented to the Parliament on March 20, 2020.
- ▶ The Finnish Tax Administration will ease the terms of payment arrangements for the time being. In addition, the Ministry of Finance is preparing a legislative amendment that will temporarily lower late-payment interest rates for taxes in a payment arrangement.

Personal Tax

VAT, GST and Trade

- Finland is expected to provide a range of VAT reliefs.
- The Finnish tax authorities cannot grant more time for filing VAT returns or other tax returns for self-assessed taxes. However, tax payers can request that the late-filing penalty is removed. If tax payers have a justified reason for filing late, such as illness, you may not have to pay a late-filing penalty,

Business tax

- ▶ The interest rate for late payment is reduced to 4% (currently 7%) for taxes due from 1 March 2020.
- ▶ The deadlines for paying taxes are postponed (further details of this are not yet known).
- ▶ Pension funds may grant upon application a postponement up to 3 months for pension premiums paid by employers and self-employed individuals.
- ▶ The Finnish Tax Administration has temporarily changed its practices regarding changes to advance tax payments for FY20. The new practice is that the advance tax payments of corporate income tax can be lowered upon a request of the taxpayer without interim financial statements, revised budget or other documentation. This can easily be done through the webservice "Omavero" of the Finnish tax authorities. Should there be Finnish entities which are currently paying advance tax but estimate that the taxable income of the company in FY20 will decrease, the entities can consider decreasing the amount of advance tax payments. For example, this could be relevant in real estate business if premises are left unoccupied. It is also noteworthy that if the advance taxes turn out to be lacking for FY20, supplement advance taxes for FY20 must to be paid at latest 31 January 2021 in order to avoid interest payable.

Links and resources

EY materials

[Responding to Covid-19](#)

[Corona virus \(Covid-19\), The most important labor law issues in the Nordic countries](#)

Government materials

[Corona situation: Recent updates](#) (Finnish tax authorities)

Overview	Personal Tax	VAT, GST and Trade	Business tax	Links and resources
<ul style="list-style-type: none"> ▶ The French President has affirmed his support to French companies with exceptional measures for deferring tax and social charges, supporting the postponement of bank instalments and State guarantees up to 300 billion euros for all bank loans. ▶ For the smallest French companies and for as long as the current situation will last, the payment of taxes, social security contributions, or various invoices (e.g., water, gas or electricity and rents) may be suspended. ▶ The partial unemployment scheme will be massively extended for employees, and a solidarity fund will be funded by the State for entrepreneurs, merchants, artisans. ▶ The government affirmed the objective of quick payment of suppliers of public administrations (i.e., on average 20 days). ▶ The employee and employer social contributions payments (URSSAF) due on the 15th of March 2020 may be postponed upon request, in whole or in part, for up to 3 months. 	<ul style="list-style-type: none"> ▶ For the self-employed, the rate and the down payments at source of income tax can be adjusted at any time. It is also possible to defer the payment of the personal income tax down payments from one month to another up to three times if monthly installments, or from one quarter to the next if quarterly installments. These adjustments can be made via the website impots.gouv.fr, under the heading "Manage my direct debit" (before the 22nd of a given month, in order to be taken into account for the following month). ▶ For employee's, no deferrals or discounts are contemplated for the employee's payments at source of personal income tax. 	<ul style="list-style-type: none"> ▶ The postponement can only concern direct taxes and not VAT and similar taxes (VAT or excise duties are indirect taxes collected by businesses on behalf of the state, no payment deferrals are expected today). ▶ The government affirmed the objective of a rapid refund of excess input VAT to the companies (i.e., within 1 month in 80% of cases). ▶ The Amending Finance Bill for 2020 adopted by the National Assembly contains a measure allowing exemption from customs and similar duties on the import and delivery of certain goods needed in the event of a state of health emergency. 	<ul style="list-style-type: none"> ▶ Postponement upon request and without penalty of the payment of the upcoming direct taxes instalment (for corporate income tax down payment and/or payroll tax). If the March payment has already been made, companies still have the option of opposing the SEPA direct debit from their bank or of requesting reimbursement to the tax authorities. A specific form to benefit from these measures is available on the tax authorities' website. ▶ If the deferral of payment is not sufficient, it is possible to obtain direct tax rebates, penalties or interest on arrears on outstanding tax debts by providing information on financial difficulties encountered by filling in frame 2 of the form. ▶ The monthly payment of the corporate property tax ("CFE") or the property tax ("taxe foncière"), can be suspended without penalty. ▶ The government affirmed the objective of rapid refund of tax credit for competitiveness and employment ("CICE") (i.e., within 3 months in 75% of cases). ▶ The pending tax audits are continuing but "with discernment". 	<p>Government materials</p> <p>https://www.impots.gouv.fr/portail/node/13465</p>

Overview

- ▶ On 13 March 2020, Federal Minister of Finance Olaf Scholz (SPD) and Federal Minister for Economic Affairs and Energy Peter Altmaier (CDU) agreed on a far-reaching package of measures to protect jobs and support companies. The government is creating a protective shield for employees and companies who are affected by the impact of the coronavirus. It consists of four pillars:
 1. Making the reduced hours compensation benefit (Kurzarbeitergeld) more flexible
 2. Tax-related liquidity assistance for businesses
 3. A protective shield worth billions for businesses
 4. Strengthening European cohesion

In a first step, existing liquidity assistance programs will be expanded to make it easier for companies to access cheap loans.
- ▶ Conditions for the KfW-Unternehmerkredit (business loan for existing companies) and the ERP-Gründerkredit-Universell (start-up loan for companies that are less than five years old) will be loosened by raising the level of risk assumptions (indemnity) for operating loans and extending these instruments to large enterprises with a turnover of up to €2 billion (previously, the limit was €500 million). Higher risk assumptions of up to 80% for operating loans of up to EUR 200 million will increase banks' willingness to extend credit.
- ▶ In the case of the "KfW Loan for Growth", the program aimed at larger companies, the current turnover threshold of €2 billion will be raised to €5 billion. In the future, these loans will take the form of syndicated loans and will not be restricted to projects in one particular field (in the past, only innovation and digitalization projects were eligible). Risk assumption will be increased to up to 70% (from 50%). This will improve larger companies' access to syndicated loans.
 - ▶ For companies with a turnover of more than €5 billion, support will continue to be provided on a case-by-case basis.
 - ▶ For guarantee banks (Bürgschaftsbanken), the guarantee limit will be doubled, to €2.5 million. The Federation will increase its risk share in guarantee banks by 10% to make it easier to shoulder risks, which are difficult to assess in times of crisis. The upper limit of 35% of operating resources in guarantee banks' total exposure will be increased to 50%. To accelerate liquidity provision, the Federation is giving guarantee banks the freedom to make guarantee decisions up to €250,000 independently and within a period of three days.

The large guarantee program (parallel guarantees from the Federation and the Länder) will be opened up to companies in other regions, as well.
- ▶ For companies that have temporary serious financial difficulties because of the crisis and therefore do not have easy access to existing support programs, additional special KfW programs will be launched. These special programs are now being submitted to the European Commission for approval.
- ▶ On 16 March 2020, the Federal Ministry of Justice and Consumer Protection has announced that until 30 September 2020 the obligation to file for insolvency for affected companies will be suspended. The precondition is that the reason for insolvency is based on the effects of the coronavirus and that there are reasonable chances of financial recovery either due to an application for a public aid program or due to serious financing or restructuring negotiations of an applicant.
- ▶ Retroactively as of 1 March 2020, the rules on reduced hours compensation benefit (Kurzarbeitergeld) will be adapted and as part of this, eligibility requirements will be loosened as follows:
 - Reduction of necessary proportion of affected employees to 10% (from previously one third).
 - In companies where agreements on working time fluctuations are used, no negative working time accounts must be created.
 - Availability also to temporary agency workers (Leiharbeitnehmer).
 - Complete reimbursement of social security contributions by the Federal Labour Office.
- ▶ In view of the corona crisis, the Federal Government is planning a supplementary budget of more than 150 billion euros for 2020. Half of the budget (at least 50 billion euros) shall be used to set up an emergency fund for small businesses and solo self-employed persons (e.g. grants and loans). In addition, the supplementary budget includes significantly more money for hospitals and family policy services than the previous budget and ultimately it takes into account an expected decrease of tax revenues. The supplementary budget is expected to be passed by the Bundestag already within the upcoming week.
- ▶ It is expected that, in a meeting on 23 March 2020, the Federal Government will discuss the option to apply an exemption from the debt brake (Schuldenbremse) which is stipulated in the federal constitution. An exception from the debt brake must be approved by a majority of the members of the Bundestag.
- ▶ Further, the Federal Government also plans to reopen the former bank rescue fund "Soffin" and convert it into an "economic stabilization fund" for all companies. This protective shield may have a volume of around 500 billion euros and is mainly intended to cover the liabilities of companies with state guarantees.

Business Tax

- ▶ After political announcement and after individual federal states had already published decrees and information on deferral and enforcement relief in connection with the coronavirus, on 20 March 2020, the Ministry of Finance now also specified the tax relief measures in two official letters (decree of the Federal Ministry of Finance and identical decrees of the federal states on trade tax aspects). The basic intention is to avoid liquidity bottlenecks for taxpayers due to tax payments. Overall, businesses shall be able to defer billions of Euros in tax payments.
- ▶ The measures outlined in the decree are as follows:
 - **Deferral of tax payments:** Taxpayers which can demonstrate that they are directly and not insignificantly affected may, until 31 December 2020, submit applications for the deferral of taxes which are already due or are becoming due until that date. Requests for deferral of taxes which become due after 31 December 2020 must be specifically justified. Interest on deferred taxes shall generally be waived.
 - **Reduction of tax prepayments:** Taxpayers may, until 31 December 2020, submit applications for the adjustment of tax prepayments which only concern periods after 31 December 2020 must be specifically justified. As soon as it becomes clear that a taxpayer's income in the current year is expected to be lower than in the previous year, tax prepayments shall be reduced in a swift and straightforward manner.
 - **Waiver of enforcement measures and penalties:** If the tax office becomes aware of the fact that a taxpayer is directly and not insignificantly affected, either through notification of the debtor or in some other way, the tax office should

abstain from enforcement measures until 31 December 2020. In that case late-payment penalties which would otherwise be levied from 20 March 2020 until 31 December 2020 shall be waived.

Who can benefit? According to the decree only those taxpayers ▶ shall benefit from the tax relief measures who can demonstrate that they are directly and not insignificantly affected by the economic consequences of the coronavirus. Only indirectly and/or insignificantly affected taxpayers shall at least based on the wording of the decrees not benefit. Whereas it is unclear when a taxpayer is considered to be directly and not insignificantly affected, the tax offices are generally asked to not apply too strict requirements when checking the conditions. It is in particular not required that the taxpayer can document and prove the specific damages and the corresponding amounts.

Which taxes are covered? The two decrees in particular cover VAT, personal income tax, corporate income tax and trade tax (the later is covered by the identical state decrees).

Not covered are for example wage tax and other withholding taxes (e.g. dividend and royalty withholding tax) payable by a third party. However, the overall context of the decrees should be understood in a sense that the same liquidity sequence is achieved through the above-mentioned deferral of enforcement measures without penalties. The Bavarian tax authority also points out on its homepage wage and other withholding taxes cannot be deferred, but that there is the possibility of submitting an application for a waiver of enforcement measures with the competent tax office. Thus, upon filing of the application, all tax payments covered by the measures could be stopped.

Regarding the wage tax, we expect further guidance to be issued by the tax authorities in the near future. There are currently no statements regarding comparable liquidity support or aid measures for social security contributions.

What has to be demonstrated? The above mentioned requests shall not be rejected because the taxpayers cannot prove the value of the damages incurred or expected to incur in detail. The tax authorities are asked to not apply strict requirements when reviewing the conditions for applying the above measures. Hence, it should generally be sufficient to show that a taxpayer is directly and not only insignificantly affected.

Personal Tax

- ▶ See business tax measures

VAT, GST and Trade

- ▶ For VAT see also business tax measures.
- ▶ With regard to taxes that are administered by the customs administration (e.g. energy duty and aviation tax), the Central Customs Authority (Generalzolldirektion) has been instructed to make appropriate concessions to taxpayers. The Central Customs Authority has already reacted and provided further [guidance](#) on its homepage.
- ▶ The same applies to the Federal Central Tax Office (Bundeszentralamt für Steuern), which will proceed accordingly with regard to insurance tax and value added tax, which fall within its remit.

Links and resources

Government materials

German version: Ein Schutzschild für Beschäftigte und Unternehmen

https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2020/03/2020-03-13-download-de.pdf?__blob=publicationFile&v=2

English version: A protective shield for employees and companies

https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2020/03/2020-03-13-download-en.pdf?__blob=publicationFile&v=2

German version only: suspension of insolvency filing

https://www.bmjuv.de/SharedDocs/Zitate/DE/2020/03/1620_Insolvenzantragspflicht.html

German version: KfW-Corona-Hilfe: Kredite für Unternehmen

<https://www.kfw.de/KfW-Konzern/Newsroom/Aktuelles/KfW-Corona-Hilfe-Unternehmen.html>

English version: KfW coronavirus aid: loans for companies

<https://www.kfw.de/KfW-Group/Newsroom/Latest-News/KfW-Corona-Hilfe-Unternehmen.html>

German version only: Corona-Krise: Bürgschaftsbanken erweitern Unterstützung von KMU

<https://www.vdb-info.de/aktuelles/pressemitteilungen/corona-krise-buergschaftsbanken-erweitern-unterstuetzung-von-kmu#>

German version only: Corona-Virus: Informationen für Unternehmen zum Kurzarbeitergeld

<https://www.arbeitsagentur.de/news/corona-virus-informationen-fuer-unternehmen-zum-kurzarbeitergeld>

[Back to top](#)

Overview	Personal Tax	VAT, GST and Trade	Business tax	Links and resources
<p>On 18 March 2020, the Government of Ghana allocated USD 100 million to deal with the Covid-19 pandemic.</p> <p>The Government of Ghana also announced that it is turning to the International Monetary Fund and World Bank to raise money to shore up the economy following the coronavirus spread. Measures to shore up the economy may include withdrawal from the Ghana Stabilization Fund to address the coronavirus through Rapid Credit Facility.</p>				

Overview

- ▶ A series of measures to help businesses affected by Covid-19 related restrictions were announced by the Chief Minister on 17 and 20 March 2020.

Personal Tax

- ▶ *Affected businesses in hospitality, leisure, distributive and catering sectors:*
 - the payment of salaries to employees "will not attract any PAYE or social insurance contributions for the month of April". (It is likely that this means that employers may calculate and pay net salary in the usual manner, but not pay the PAYE/SI, and that employees will not pay tax on this, but clarification awaited on these points).
- ▶ *For all business sectors:*

During the second quarter of 2020, payments of PAYE and Social Insurance by employers may be deferred by eight weeks from the due date. Whether such measures should be extended further will be considered in consultation with the unions and business representative organizations.

VAT, GST and Trade

- ▶ Import duties have been waived until midnight on 30 April in respect of all goods except for tobacco, fuel and alcohol classes of goods. This is to be reviewed before the end of April with business representative organisations.
- ▶ Licence fees due by gaming companies on 1 April are being delayed until 1 July.

Business tax

- ▶ Private landlords of affected businesses in hospitality, leisure, distributive and catering sectors will be taxed at 50% of gross rent if they do not either (a) waive at least 50% of rent due for Q2 in calendar year 2020, or (b) waive rent in Q2 and extend the lease by a further three months.
- ▶ Where a tenant is not given the above flexibility by their private landlord, Government proposes to allow the tenant "a deduction against their tax liability of three times the amount of the rent paid".
- ▶ All business rates for the second quarter of 2020 will be waived.

Links and resources

Government materials

- ▶ <https://www.gibraltar.gov.gi/press-releases/chief-ministers-statement-covid-19-1962020-5700>

Overview

Greece has adopted a series of emergency tax (as well as social security and labor law) measures) as a response to the unprecedented COVID-19 situation.

The measures so far are included in two legislative acts (dated 11.03.2020 and 20.03.2020), implemented through various Ministerial Decisions, whereas Government announcements have declared the adoption of further measures.

Personal Tax

- ▶ The payment of debts assessed and due to the Tax Administration, as well as the payment of debt installments or partial repayments, is suspended for the employees of affected enterprises.
- ▶ There will be no late payment interest or surcharges are calculated during the suspension period.

VAT, GST and Trade

- ▶ The payment of VAT due between 11.03.2020 to 30.04.2020 is suspended up until 31.08.2020 for affected enterprises.
- ▶ The payment of VAT already due on 11.03.2020 is suspended up until 31.08.2020 for affected enterprises.
- ▶ No late payment interest or surcharges are calculated during the suspension period.
- ▶ As a prerequisite for the suspension, the enterprise must maintain all job positions.
- ▶ The applicable VAT rate is reduced to 6% (from 24%) until 31.12.2020 for the below goods:
 - protective masks and gloves
 - antiseptic products, wipes and relevant antiseptic
 - soap and other products used for personal hygiene purposes
 - ethyl alcohol.
- ▶ All manufacturing activities for the production of antiseptics by industrial and craft enterprises for the benefit of the Ministry of Health are VAT exempt, whereas the relevant input VAT will be deductible.

Business tax

- ▶ The payment of debts assessed and due to the Tax Administration as well as the payment of debt installments or partial repayments due between 11.03.2020 to 30.04.2020 are suspended up until 31.08.2020.
- ▶ The collection of debts assessed and due on 11.03.2020 are suspended up until 31.08.2020.
- ▶ No late payment interest or surcharges are calculated during the suspension period.
- ▶ As a prerequisite for the suspension, the enterprise must maintain all job positions.

Links and resources

EY materials:

- ▶ [https://emeia.ey-vx.com/406/82407/landing-pages/corona-virus-labor-alert-\(002\).pdf](https://emeia.ey-vx.com/406/82407/landing-pages/corona-virus-labor-alert-(002).pdf)
- ▶ <https://emeia.ey-vx.com/406/82407/landing-pages/covid-19-tax-alert-eng-20.03.2020-final.pdf>

Overview	Personal Tax	VAT, GST and Trade	Business tax	Links and resources
<ul style="list-style-type: none">▶ Disburse HK\$10,000 to each Hong Kong permanent resident aged 18 or above▶ Waive the business registration fees for 2020-21▶ Waive registration fees for company annual returns for two years▶ Concessionary low-interest loan is introduced with 100% Government guarantee for enterprises, which will be open for application for six months. Maximum loan of \$2 million with repayment period up to three years. Moratorium on principal repayment for first six months▶ Issue inflation-linked retail bonds and Silver Bonds totaling not less than HK\$13 billion	<ul style="list-style-type: none">▶ A one-off reduction of 100% of the salaries tax and tax under personal assessment has been proposed for 2019/20, subject to a maximum reduction of HK\$20,000. The reduction will be deducted directly from the taxpayer's 2019/20 final tax payable.▶ Deadlines for tax payments, lodgement of objections and holdover applications as well as submission of tax returns and information that fall between 29 January and 1 March was automatically extended to 2 March.		<ul style="list-style-type: none">▶ A one-off reduction of 100% of the profits tax has been proposed for 2019/20, subject to a maximum reduction of HK\$20,000. The reduction will be deducted directly from the taxpayer's 2019/20 final tax payable.▶ Deadlines for tax payments, lodgement of objections and holdover applications as well as submission of tax returns and information that fall between January 29 and March 1 was automatically extended to March 2.	<p>Government materials</p> <ul style="list-style-type: none">▶ Hong Kong 2020-21 Budget Insights <p>EY materials</p> <ul style="list-style-type: none">▶ Government budget announcement

Overview

- ▶ The Hungarian government suspended the monthly payments on loans for all businesses and private individuals, provided that the loans were concluded on or before 18 March 2020. The moratorium will likely apply for all the monthly payments that would be due in 2020.
- ▶ Also, it was announced that more economy/business related announcements are to come in the following days.

Personal Tax

- ▶ Employees working in severely hit industries, e.g., tourism, hospitality, entertainment, sports, cultural services (e.g. theaters, cinemas) will pay significantly lower social security contributions until 30 June 2020.
- ▶ In addition in relation to these industries, the Hungarian Government waived the employment related contribution payment obligation of employers until 30 June 2020.

VAT, GST and Trade

Business tax

Links and resources

Overview

- ▶ On 13 March 2020, the Coordinating Minister of Economic Affairs formally announced a stimulus package due to the Covid-19 outbreak which covers tax and non-tax programs. The key relevant programs include:
- ▶ Key tax initiatives for 19 manufacturing sectors and export-oriented companies:
 - ▶ Six months of Employee Income Tax to be borne by the Government.
 - ▶ Six months of import tax exemptions.
 - ▶ Six months of 30% reduction of CIT instalments.
 - ▶ Acceleration of VAT refund claims for six months. Tax audits will not automatically be initiated when new VAT refund claims are made.
- ▶ Key non-tax strategies:
 - ▶ Improved export and import procedures.
 - ▶ Banks restructuring and rescheduling loans.

Personal Tax

- ▶ Employee Income Tax to be borne by the government for six months starting April 2020 for 19 manufacturing sectors and export-oriented companies.
- ▶ Late payment and filing of individual tax returns from 1 April to 15 April 2020 are exempt from penalty.

VAT, GST and Trade

- ▶ Acceleration of VAT refund claims for 19 manufacturing sectors and export-oriented companies. Tax audits will not be automatically initiated when new VAT refund claims are made.

Business tax

- ▶ 30% reduction of CIT instalments for 19 manufacturing sectors and export-oriented companies from April 2020 to September 2020.
- ▶ Import tax exemptions (non-final withholding tax relief) for 19 manufacturing sectors and export-oriented companies from April 2020 to September 2020.

Links and resources

Overview

- ▶ The Irish Government has made a €3+ billion aid package available to combat the effects of COVID-19.
- ▶ Proposed actions by the banks to build on the Irish Government's response, and the ECB's monetary and regulatory policy measures to deliver real support to individuals, SMEs and companies.
- ▶ The range of supports proposed by the the Banking and Payments Federation Ireland (BPF), and to be discussed with the Central Bank, are customer focused so as to cater for the different impacts of COVID-19 on each individual customer. These proposals include:
 - ▶ Flexible arrangements, including payment break for Mortgages and other loans for 3 months
 - ▶ Support for buy to let bank customers with tenants affected by COVID-19
 - ▶ Extensive supports for SME customers - Banks are working to ensure a wide range of credit, cash flow and supply chain supports are offered to businesses who are trying to manage the pressures arising from COVID-19
 - ▶ In addition, the banks are adopting a customer focussed approach to these businesses with a wide variety of tailored supports including extensions of credit lines, risk guarantees, and trade finance
- ▶ Central Bank of Ireland will reduce the Countercyclical Capital Buffer, from 1% to 0%. This will free up bank capital to provide credit, and to restructure and extend existing loans
- ▶ €200m Strategic Banking Corporation of Ireland Working Capital scheme for eligible affected businesses. Loans of up to €1.5 million will be available at reduced rates, with up to the first €500,000 unsecured
- ▶ €200m for Enterprise Supports including a Rescue and Restructuring Scheme as part of the Extension of the Rescue and Restructuring Scheme 2017 available through Enterprise Ireland for vulnerable but viable firms that need to restructure or transform their business
- ▶ Increase in the maximum loan available from Microfinance Ireland from €25k to €50k as an immediate measure to specifically deal with exceptional circumstances that micro-enterprises - (sole traders and firms with up to 9 employees) - are facing
- ▶ The Irish Registrar of Companies has decided that all annual returns due to be filed by any company now and up to 30th June 2020 will be deemed to have been filed on time if all elements of the annual return are completed and filed by that date.
- ▶ Businesses which are seeking support to assist with business continuity and preparedness connected to the COVID-19 outbreak, may be provided with a Business Continuity Voucher subject to certain conditions and criteria
- ▶ A proposed effective temporary ban on tenant evictions and rent increases has been announced by the government. The legislation to effect this is making its way through the Oireachtas (e.g. Houses of Parliament)
- ▶ Removal of means test required for supplementary welfare allowances in respect of medically certified cases of self-isolation
- ▶ The personal rate of Illness Benefit will be increased from €203 per week to €305 per week for a maximum period of two weeks of medically certified self-isolation, or for the duration of a person's medically-certified absence from work due to Covid-19 diagnoses
- ▶ Self-employed people will be entitled to receive either illness benefit or non-means tested supplementary welfare allowance
- ▶ The existing systematic short-time working scheme is available for employees who may be placed on reduced working arrangements
- ▶ Irish Revenue is setting up a refund scheme on behalf of the Department of Employment Affairs and Social Protection (DEASP). This scheme will enable the employer to make a payment via the payroll system of €203 per week to each employee who has temporarily been laid off due to COVID-19. Employers are encouraged to facilitate the scheme and amounts paid to employees should be reimbursed by Irish Revenue on a 'next day' basis. Where employees have already been laid off and their employer has ceased their employment, such employees can apply directly to DEASP for the payment.

Personal tax measures

- ▶ A workday allowance for e-workers (as defined in legislation) of €3.20 can be paid by employers free of payroll taxes.
- ▶ The Finance Minister has decided to defer the collection of stamp duty on credit cards to July, which is normally levied in April.

VAT/GST measures

- ▶ Irish Revenue announced measures to assist SMEs experiencing cashflow difficulties.
- ▶ The application of interest on late payments is suspended for January/February VAT and both February and March Employers liabilities.
- ▶ All debt enforcement activity is suspended until further notice.
- ▶ Businesses, other than SMEs, who are experiencing temporary cash flow/trading difficulties should contact Irish Revenue to arrange a payment. The advice of Irish Revenue is to contact them early if a company is running into, or facing into, difficulties in paying tax.

Business tax measures

- ▶ The Relevant Contract Tax (RCT) rate review scheduled to take place in March is suspended

Government materials

<https://www.revenue.ie/en/corporate/press-office/press-releases/2020/pr-130320-revenue-announce-measures-to-assist-smes-experiencing-cashflow-difficulties-arising-from-covid-19.aspx>

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

Overview	Personal Tax	VAT, GST and Trade	Business tax	Links and resources
<p>Stimulus package and government-backed and guaranteed loans</p> <ul style="list-style-type: none"> ▶ In response to the rapid spread and impact of COVID-19, the Israeli Prime Minister announced on Monday 11 March an NIS10 billion stimulus package. ▶ From this amount, it is expected that NIS8 billion will be extended as government-backed and guaranteed loans to small-medium businesses. ▶ This program is designated for Israeli businesses with a maximal NIS100 million annual turnover, that will present a causal link between the business flow difficulties and working capital needs and the outbreak of the virus. ▶ The loan amount that can be extended will be the highest of NIS500K or 8% of the latest annual turnover, with favorable terms (e.g., five-year loan, six-month grace period on the principal, low interest rates, reduced 10% security deposit, etc.). It was announced that requests under this program should be handled promptly. 	<p>Income tax and social security deadlines and extensions</p> <ul style="list-style-type: none"> ▶ The 2019 tax return filing deadlines are extended as follows: <ul style="list-style-type: none"> ▶ E-filing tax returns for individuals are extended until 30 July 2020. ▶ Tax returns for individuals that are not required to e-file their returns are extended until 30 June 2020. ▶ Income tax adjustment approvals that expired at the end of 2019 are extended until the payment date of the May 2020 salary but no later than 13 June 2020. ▶ The Israeli National Insurance Institute also published certain measurements including deferral of Social Security and Health Insurance payments for April 2020; the deployment of April deferred payment; and the suspension of any enforcement actions including the avoidance of new foreclosures imposition and the deferral treatment of existing foreclosures. 	<p>VAT deadlines and extensions</p> <p>The Israeli Tax Authority (ITA) published several letters regarding extensions of filing deadlines and payments, as follows:</p> <ul style="list-style-type: none"> ▶ VAT filings and payments - for VAT dealers that report on a monthly basis, the deadline for February is extended until 26 March 2020. For VAT dealers that report on a bi-monthly basis the deadline for February is extended until 27 April 2020. 	<p>Income tax deadlines and extensions</p> <p>The ITA published several letters regarding extensions of filing deadlines and certificates, as follows:</p> <ul style="list-style-type: none"> ▶ The 2018 tax return deadline that was extended until 31 March 2020 is now extended to 30 April 2020. ▶ Withholding tax certificates that were expected to expire on 31 March 2020 are extended until 30 April 2020. ▶ The 2019 tax return filing deadlines for companies and non-profit organizations are extended until 20 July 2020. ▶ Registration certificates for computerized accounting system software that expired in the period starting from 1 March 2020 and ends on 30 June 2020, will be extended for a period of four months from the date of expiry. ▶ The ITA also opened the online system for early e-filing of the 2019 tax returns for companies and individuals by representatives and announced that the refund process for taxpayers and VAT dealers will be expedited. 	<p>Government materials</p> <ul style="list-style-type: none"> ▶ https://www.gov.il/en/departments/news/press_16032020_b. <p>EY materials</p> <ul style="list-style-type: none"> ▶ https://globaltaxnews.ey.com/news/2020-5423-israel-acts-in-response-to-covid-19

Overview	Personal Tax	VAT, GST and Trade	Business tax	Links and resources
<p>COVID-19 dedicated grants program</p> <ul style="list-style-type: none"> ▶ The Israeli Innovation Authority (IIA), together with the Ministry of Health and the Digital Israel Headquarters at the Office of Social Equality announced a designated NIS50 million grants program for research and development (R&D) programs and demonstration of systems, products or technological solutions to meet the challenges of the Coronavirus. ▶ The IIA, together with the Ministry of Economy and Industry in collaboration with the Manufacturers Association of Israel, also offers grants for manufacturing plants for R&D programs and technological innovation for industrial product development, designed to prevent, treat and deal with the Coronavirus. <p>Other IIA grants and reporting leniencies</p> <ul style="list-style-type: none"> ▶ The IIA announced that it continues to operate and that companies can continue to file requests for grants. ▶ In addition, the IIA will allow certain temporary leniencies with respect to companies' reports, e.g., recognition of work performed by employees from home (rather than the company's site); leniencies regarding signatures on attendance reports and other official documents; changes and extensions to development periods, among others. <p>Self employed dedicated grants</p> <ul style="list-style-type: none"> ▶ The Israeli Government will also extend special grants to self-employed individuals if their taxable income did not exceed NIS150,000 in 2018. The amount of the grant will be half the average monthly income for that year, or NIS6,000, whichever is lower. It is estimated that the grants program will be open to the public in the coming weeks. 				<p>Government materials</p> <ul style="list-style-type: none"> ▶ https://www.gov.il/en/departments/news/press_16032020_b. <p>EY materials</p> <ul style="list-style-type: none"> ▶ https://globaltaxnews.ey.com/news/2020-5423-israel-acts-in-response-to-covid-19

Overview

- ▶ Law Decree n. 18/2020, dubbed "Heal Italy", was published in the Official Gazette on March 17, 2020 and became immediately effective (Decree). The Decree will have to be converted (with potential changes) into Law within 60 days from its publication.
- ▶ The Decree provides for a stimulus package including tax and other measures for EUR 25 billion and public guarantees to the banking system that should generate injection of new liquidity for EUR 340 billion.
- ▶ The measures concern families, enterprises, self-employed and health system personnel. Among other things, the package provides for additional resources to the health system and to civil defense, the increase of lay-off support payments for certain sectors, the possibility to obtain a suspension in the payment of banking loans.
- ▶ Other forms of support include special indemnities for workers taking care of young children, deferral of social security contributions, short-time working allowance extended to all sectors and a one-off indemnity of EUR 600 for self-employed.
- ▶ The package provides additional measures including deferring up to 20 March 2020 tax and contributions payments due on 16 March 2020 for all the taxpayers and additional suspension of VAT payments, withholdings (WHT) and contributions on the basis of turnover, business location and the sector involved.
- ▶ Activities of the Italian Tax Authority are suspended until 31 May 2020 and any tax fulfillments due in the period 8 March - 31 May 2020 are postponed to 30 June 2020.
- ▶ Taxpayers who decide to not take benefit of the suspension of tax payments may ask to be awarded with a communication on the Italian Ministry of Finance web-site.

Personal Tax

- ▶ **Tax payments** - Payment of taxes, withholdings and social contributions due on 16 March 2020 were postponed to 20 March 2020. Payment of WHT on employment income and social security contributions originally due on the period between 8 March and 31 May 2020 by self-employed and enterprises with a previous FY turnover up to EUR 2 million turnover is deferred to 31 May 2020 with the option for (in full or in 5 equal monthly instalments. WHTs on income derived till 31 March by professionals with turnover up to EUR 400,000, with no employment expenses during February 2020, are replaced by self-assessed payments due by 31 May 2020 (in full or in 5 equal monthly instalments).
- ▶ **Tax filings** - Filings due between 8 March 2020 and 31 May 2020 are postponed to 30 June 2020.
- ▶ **Statute of limitation** - The ordinary statute of limitations for FY 2015 (which should have expired on 31 December 2020) is extended by two additional years, i.e., until 31 December 2022.

VAT, GST and Trade

- ▶ **Tax payments:** Payment of VAT due on 16 March 2020 was postponed to 20 March 2020. VAT payments up to 30 March 2020 are suspended for all taxpayers operating in sectors particularly hit by the COVID-19 crisis (e.g. tourism, sport, entertainment, art, culture, education, transport, food, no-profit). VAT payments from 8 March to 31 March 2020 are suspended for taxpayers with a previous FY turnover up to EUR 2 million and who are established in Italy or have therein a fixed establishment (including, irrespective of any turnover, those located in specific areas (e.g., Bergamo, Cremona, Lodi and Piacenza provinces), irrespective of any turnover thresholds). It is not clear from the wording of the law whether the deferment also applies to Italian VAT registrations of non-established taxable persons.
- ▶ **Tax filings** - VAT fulfillments due in the period 8 March - 31 May 2020 are postponed to 30 June 2020 for taxpayers who are established in Italy or have therein a fixed establishment. It is not yet clear from the wording of the law whether the deferment also applies to Italian VAT registrations of non-established taxable persons. The deadline for the filing of the Annual VAT return of 30 April 2020 is postponed to 30 June 2020.
- ▶ **Suspension of the Tax Authority's activities** - The ordinary terms for tax audit, tax assessment, tax collection and tax litigation are suspended from 8 March 2020 to 31 May 2020. The terms applicable to reply to ruling requests are suspended from 8 March to 31 May 2020. **Suspension of tax litigations** - Tax court hearings are postponed to a date after 15 April 2020 and the terms for filing appeals before tax courts of first instance and other procedures are suspended until 15 April 2020.
- ▶ **Statute of limitation** - The ordinary statute of limitations for FY 2015 (which should have expired on 31 December 2020) is extended by two additional years, i.e., until 31 December 2022.

Business tax

- ▶ **Tax payments** - Payment of taxes, WHT and social contributions due on 16 March 2020 were postponed to 20 March 2020. Payment of WHT on employment income and social security contributions originally due on the period between 8 March and 31 March 2020 by self-employed and enterprises with a previous FY turnover up to EUR 2 million is deferred to 31 May 2020 in full or in 5 equal monthly instalments). A deferral of WHT and social contribution due up to 30 April applies to taxpayers of qualified business sectors (e.g. tourism, sport, entertainment, art, culture, education, transport, food, no-profit) or located in specific areas (e.g., Bergamo, Cremona, Lodi and Piacenza provinces). These payments are deferred to 31 May 2020 (in full or 5 equal monthly instalments). WHTs on income derived till 31 March by small businesses (turnover up to EUR 400,000), with no employment expenses during February 2020, are replaced by self-assessed payments due by 31 May 2020 (in full or in 5 equal monthly instalments).
- ▶ **Tax filings** - Filings due between 8 March 2020 and 31 May 2020 are postponed to 30 June 2020.
- ▶ **Tax credit for sanitation** - A tax credit of 50% of the cost for sanitizing the environment and work tools up to a maximum of EUR 20,000. Tax credit for rentals
- ▶ **Tax credit for retail rentals** - A tax credit of 60% of the rental fee paid in March 2020 for retail spaces is recognized to enterprises other than those running “essential activities”.
- ▶ **Conversion of DTAs into tax credits** - Companies (mainly banks and financial institutions) willing to dispose of Non-Performing-Loans (NPLs) and Unlikely-To-Pay-Exposures (UTPs) by 31 December 2020 may claim a partial conversion into a tax credit of the existing, although possibly unrecognized, Deferred Tax Assets (DTAs) associated with: a. Tax losses carried forward (TLCF) b. Excess notional interest deduction carried forward (NIDCF). Tax credits resulting from the above conversion (Converted Tax Credits or CTCs) can be: (i) offset without any limit against tax payables; (ii) assigned within the same group or to third parties; and (iii) reclaimed.
- ▶ **Suspension of the Tax Authorities activities** - The ordinary terms for tax audit, tax assessment, tax collection and tax litigation are suspended from 8 March 2020 to 31 May 2020. The suspension applies also to: (1) the ordinary terms for the Tax Authorities to reply to ruling requests, and to the filing of supplementary documentation; (2) the reply to the admission request to the cooperative compliance regime; (3) the international ruling procedure; (4) transfer pricing downward adjustment procedure; (5) patent box procedures. The terms of reply for all the requests filed along the suspension period will start again from the last day of the suspension window.
- ▶ **Suspension of tax litigations** - Tax court hearings are postponed to a date after 15 April 2020 and the terms for filing appeals before tax courts of first instance and other procedures are suspended until 15 April 2020.
- ▶ **Extension term for financials approval** - Specific provisions are introduced allowing companies to call the ordinary shareholders' meeting to approve the 2019 financial statements within 180 days of the end of the financial year as oppose to 120 days. Also, the Decree generally allows all members to attend the shareholders' meeting by means of telecommunications, also in exception to the provisions of the by-laws.
- ▶ **Statute of limitation** - The ordinary statute of limitations for FY 2015 (which should have expired on 31 December 2020) is extended by two additional years, i.e., until 31 December 2022.

Links and resources

Government materials

https://www.gazzettaufficiale.it/do/atto/serie_generale/caricaPdf?cdimg=20G0003400000010110001&dgu=2020-03-17&art.dataPubblicazioneGazzetta=2020-03-17&art.codiceRedazionale=20G00034&art.num=1&art.tiposerie=SG

https://www.agenziaentrate.gov.it/portale/documents/20143/2369964/Circolare_n_5_20_03_2020.pdf/f42f586c-57ae-ebf3-e1a8-953c9799c113

<https://www.ey.com/gl/en/services/tax/international-tax/alert-italy-enacts-health-italy-decree-to-manage-covid-19>

<https://globaltaxnews.ey.com/news/2020-5396-italian-npls-and-utps-conversion-into-tax-credits-of-deferred-tax-assets-associated-with-tax-losses-carried-forward-and-other-deferred-deductions>

Overview

- ▶ On 27 February 2020, in light of Covid-19, the National Tax Agency of Japan announced individual income tax and gift tax return extensions, and delayed individual consumption tax filing deadlines and payments.

Personal Tax

- ▶ The deadline for the submission of individual income tax and gift tax returns for 2019 is extended for one month to 16 April 2020 from 16 March 2020.

VAT, GST and Trade

- ▶ The filing deadlines for individual consumption tax returns and payments are delayed by a half month until 16 April 2020.

Business tax

Links and resources

[Back to top](#)

Overview	Personal Tax	VAT, GST and Trade	Business tax	Links and resources
<p>On 18 March 2020, the Central Bank of Kenya (CBK) has announced a set of measures that commercial banks will undertake to alleviate the Covid-19 impact. The Measures will apply to borrowers whose loan repayments were up to date at 2 March 2020.</p> <ol style="list-style-type: none">1. Banks will seek to provide relief on personal loans based on individual circumstances arising from the pandemic.2. Banks will review requests from borrowers for extension of their personal loans for a period of up to one year.3. SMEs and corporate borrowers can contact their banks for assessment and restructuring of loans based on their respective circumstances.4. Banks will meet all costs relating to the extension and restructuring of loans.5. To facilitate increased use of mobile digital platforms, banks will waive all fees for balance inquiries.6. All charges for transfers between mobile money wallets and bank accounts will be eliminated.				

Overview

- ▶ On 12 March 2020, the Government declared a state of emergency until 14 April in Latvia.
- ▶ On 19 March 2020, the Government examined a draft law on national risk prevention and management measures related to the spread of Covid-19.
- ▶ It aims to identify measures for the prevention and management of state threats and its effects, specific support mechanisms, as well as crisis costs directly related to the financing of Covid-19 containment.
- ▶ The framework will enter into force on 12 March 2020.

Personal Tax

- ▶ The taxpayer may not make the specified advance payment of the PIT from the income of economic activity. This condition applies to advance payments starting on 1 January 2020. These payments may be made on a voluntary basis.
- ▶ If the employer of the sector affected by the crisis does not employ employees or is idle, the remuneration of the employee, which is up to 75% of the remuneration specified in the Labor Law, but not more than EUR 700 for the calendar month, shall be compensated.
- ▶ Idle allowance shall not be subject to mandatory contributions from IIT and national social insurance.

VAT, GST and Trade

- ▶ The SRS is expected to reimburse the amount of overpaid VAT in the course of tax administration measures within a shorter period than the existing VAT Law.
- ▶ The possibility of increasing reserve capital for the national development financial institution Altum is envisaged, allowing crisis-stricken companies to use support instruments such as credit guarantees and loans.
- ▶ In 2020, municipalities have the right to set different deadlines for the payment of real estate tax, transferring it to a later date in the period of 2020.
- ▶ Merchants in sectors affected by the crisis are either exempt from rents or are given a reduction in rents.

Business tax

- ▶ The sectors for which the financial situation has deteriorated significantly due to the spread of Covid-19 have been identified. The list of sectors affected by the crisis can be reviewed and supplemented.
- ▶ The taxpayer of the sectors affected by the crisis has the right to apply for an extension of the tax period. It may also be requested to grant an extension of the period of time for overdue tax payments for which the period of payment has been extended, if the time-limit has been delayed as a result of Covid-19.
- ▶ A taxpayer shall submit a reasoned submission not later than two months after the date of payment period or the coming into force of this Law.
- ▶ The tax administration has the right to split in time periods or to defer for a period of up to three years, counting from the date of submission of the application, the payment of overdue tax payments. For the overdue tax payment for which the extension of the tax period has been granted, the overdue payment shall not be calculated.
- ▶ The subjects of the Annual Reporting and Consolidated Years Review Law, as well as associations, foundations and religious organizations will be entitled to submit the annual accounts prepared for 2019 (as well as consolidated annual accounts, if any, to be prepared) later than the time period specified in regulatory enactments (three or four months respectively).

Links and resources

Government materials

- ▶ <http://tap.mk.gov.lv/lv/mk/tap/?pid=40485176&mode=mk&date=2020-03-19>
- ▶ <http://tap.mk.gov.lv/lv/mk/tap/?dateFrom=2019-03-24&dateTo=2020-03-23&text=COVID-19&org=0&area=0&type=0>
- ▶ <https://mk.gov.lv/lv/aktualitates/valdi-ba-apstiprina-vienotu-likumu-visiem-pasakumiem-covid-19-izplatibas-ierobezosanai>

Overview

- ▶ A limited number of tax measures have been released

Personal Tax

- ▶ The deadline for submitting annual tax returns and remitting tax payments has been extended until 1 July 2020. The electronic method of the new tax return form GPM311 will not be released until April 2020.

VAT, GST and Trade

Business tax

- ▶ The deadline for filing corporate income tax returns and making payments of tax is deferred until March 30, 2020.
- ▶ Taxpayers are granted the ability to revise their corporate income tax calculations based on estimates on the current year (rather than previous year results).

Links and resources

Overview

- ▶ The Social Security Center announced temporary measures starting as of 1 April 2020, consisting mainly in a suspension of enforcement measures (e.g., no interest computation for late payments, suspension of fines to be imposed on employers with delays in respect of declarations to be made with the Social Security Center,...). In addition, the Social Security Center will pay an advance on monetary compensation for the special leave for family reasons, granted to parents of children staying at home due to the closure of schools or childcare structures.
- ▶ Specific measures for companies with respect to shareholders' and board meetings: (i) Companies may hold any shareholder meeting without physical presence and require its shareholders and all other participants in the meeting to exercise their rights by a vote in writing or an electronic vote (provided that the full text of the resolutions or decisions to be adopted has been published or has been duly communicated to the participants).
- ▶ This is to be achieved by appointing a special proxy designated by the company or by video conference or any other communication method allowing the identification of the participants and (ii) all other bodies of a company may hold their meetings and / or adopt their resolutions by way of written circular resolution or by video conference or any other communication method allowing the identification of the participants. In addition, companies are allowed to convene their annual general meeting (regardless of any contrary provision in their articles of association) at the later of the following dates: (i) any date within six months following the date of closing of the financial year or (ii) any date before 30 June 2020.

Personal Tax

- ▶ On 19 March 2020, the Luxembourg Ministry of Finance announced that Luxembourg and France have reached an agreement on taxation of cross-border workers: homeworking in France since 14 March will not be counted toward the 29 days limit, this will apply until further notice.

VAT, GST and Trade

- ▶ On 18 March 2020, the Indirect Tax Administration announced that due to Covid-19, a possible failure to file VAT returns within the normally applicable deadlines will not be subject to fines. This measure will apply until further notice.

[Back to top](#)

Business tax

Links and resources

Overview

- ▶ There is currently a state of emergency in place until 18 April. However, it is understood this will be continued due to the fact that currently Macedonia does not have a Parliament (due to the postponed elections that were scheduled for 12 April), so there is no possibility for adoption of acts that will have a force of law unless there is a state of emergency in which the Government may adopt ordinances that have effect as adopted laws.

Personal Tax

VAT, GST and Trade

Business tax

Links and resources

Overview

- ▶ On 19 March 2020 Malaysia's central bank cut its statutory reserve ratio by 100 basis points to 2.00%, releasing 30 billion ringgits (approx. \$6.81 billion) into the banking system
- ▶ On 27 February 2020, the Malaysian government announced a RM20bn (circa US\$4.75bn) stimulus package comprising tax and non-tax measures. anchored on three strategies:
 - ▶ Strategy 1: Mitigating impact of Covid-19 by easing cashflow, providing assistance to affected individuals, promoting human capital development and stimulating the tourism sector.
 - ▶ Strategy 2: Catalyzing Rakyat-centric (i.e., people-centric) economic growth
 - ▶ Strategy 3: Promoting quality investment
- ▶ Non-tax measures include:
 - ▶ Accelerated public sector investments in the National Fibreisation and Connectivity Plan and opening of bid quotas for 1,400 MW of solar power generation.
 - ▶ RM100m allocation to the Human Resources Development Fund for grants to train and upskill affected employees
 - ▶ RM500m allocation for travel vouchers, grants and tourism promotion
 - ▶ RM2bn allocated to federal, state and local governments for small infrastructure repair, maintenance and upgrading projects
 - ▶ An RM500m co-investment fund for investments alongside private investors in early-stage and growth-stage Malaysian companies

Personal Tax

- ▶ Personal tax relief of up to RM1,000 on domestic tourism expenditures.
- ▶ 2 month extended grace period for individuals to electronically file their 2019 income tax returns.

VAT, GST and Trade

- ▶ Import duty and/or sales tax exemption will be granted on the import or domestic purchase of machinery and equipment to be used in port operations.
- ▶ The scope of value-added activities which can be performed within a Licensed Manufacturing Warehouse (LMW) or Free Industrial Zone (FIZ) will be expanded to include Supply Chain Management, Strategic Procurement Operation and Total Support Solutions.
- ▶ The approval process for value-added activities performed by manufacturers with LMW status or located within an FIZ will no longer require approval from the Ministry of Finance/Royal Malaysian Customs Department (RMCD) headquarters; approvals will be given at the RMCD State/Zone level.
- ▶ Operators of hotel premises will be exempted from charging 6% service tax on accommodation and other taxable services within those premises. This exemption also covers the sale of tobacco, alcohol and non-alcoholic beverages in hotel premises, and will take effect from 1 March 2020 to 31 August 2020.
- ▶ Effective 1 April 2020, the conditions for purchase of duty-free goods at international airports will be relaxed as follows:
 - ▶ Reduction of eligibility period for the purchase of duty-free goods from 72 to 48 hours
 - ▶ Increase in the allowable threshold from RM500 to RM1,000 for goods other than those already eligible for tax exemption under specified limits

Business tax

- ▶ Deferment of monthly income tax installment payments for businesses in the tourism sector from 1 April 2020 to 30 September 2020.
- ▶ Businesses with profits impacted by disrupted supply chains and customer patterns will have an earlier window to revise tax estimates
- ▶ Accelerated tax depreciation (capital allowances) on purchases of machinery and equipment as well as information and communications technology from 1 March 2020 to 31 December 2020.
- ▶ Tax deduction for refurbishment and renovation costs: It is proposed that a tax deduction of up to RM300,000 be given on costs for renovating and refurbishing business premises, where such costs are incurred between 1 March 2020 and 31 December 2020.
- ▶ Double deduction for the establishment of regional operations by international shipping companies
- ▶ 2 month extended grace period for companies to electronically file their 2019 income tax returns

Links and resources

Government materials

[Economic Stimulus Package 2020](#), dated 27 February 2020

Overview

- ▶ On March 23,2020, the Government of Mauritius announced the Wage Assistance Scheme to ensure that all employees in the private sector are duly paid their salary for the month of March 2020. The scheme concerns both Mauritians and foreign employees working in Mauritius.
- ▶ Under the scheme, a business entity in the private sector is entitled to receive in respect to its wage bill for the month of March 2020, an amount equivalent to 15 days' basic wage bill for all of its employees drawing a monthly basic wage of up to Rs 50,000 subject to a cap of Rs 12,500 of assistance per employee.
- ▶ Where a business is unable to effect payment of salary for the current month due to cash flow problems, it may apply to the Mauritius Revenue Authority (MRA) for assistance under the scheme so that the salaries may be paid in a timely manner.

Personal Tax

VAT, GST and Trade

Business tax

- ▶ The facilities for the electronic submission of tax returns and electronic payment of any tax due are available on MRA website (www.mra.mu).
- ▶ Taxpayers who are unable to submit returns or effect payment of tax due to the lockdown will not be charged any penalty or interest for late submission/payment.

Links and resources

Government materials

- ▶ <https://www.mra.mu/index.php/media1/covid-19>

Overview

- ▶ Tax and Federal Courts released an official statement to suspend labor activities in the Court from today March 18 until April 19 due to Covid-19 related measures. This also means that the deadlines for the lawsuits will be extended for the same period of time.
- ▶ Mexican tax authorities still to issue official statements.

Personal Tax

VAT, GST and Trade

Business tax

Links and resources

[Back to top](#)

Overview

Personal Tax

VAT, GST and Trade

Business tax

Links and resources

- ▶ Reduction of the VAT rate for services and food supplied by entities providing hotel and restaurant services

- ▶ Extension of the deadline for submission of annual tax returns
- ▶ Postponement of payments of corporate income tax

Overview

- ▶ Emergency fund to compensate salary costs for businesses that expect a 20% decrease of turnover
- ▶ Compensation payment of EUR 4,000 to certain businesses that were forced to (temporarily) close
- ▶ Emergency relief for self-employed
- ▶ Temporary deferral of energy taxes
- ▶ Expanding existing government guarantees for loans to small to medium enterprises, as well as government guarantees for guarantees of businesses
- ▶ Reduction of interest expenses and deferral of repayments for government-provided microfinancing
- ▶ Expanding existing guarantees for small to medium agricultural and horticultural enterprises.

Personal Tax

- ▶ Three months deferral of tax payments for wage taxes and personal income taxes;
- ▶ Reduction of tax and levy interest to 0.01%;
- ▶ Waiver of administrative fees for late payment for wage taxes, and personal income taxes.

VAT, GST and Trade

- ▶ Three months deferral of tax payments for VAT;
- ▶ Reduction of tax and levy interest to 0.01%;
- ▶ Waiver of administrative fees for late payment for VAT.

Business tax

- ▶ Three months deferral of tax payments for corporate income tax;
- ▶ Reduction of tax and levy interest to 0.01%;
- ▶ Waiver of administrative fees for late payment for corporate income tax.
- ▶ Interest deduction limitations
- ▶ For corporate income tax purposes, net borrowing costs are not deductible insofar as they exceed 30% of a taxpayers' earnings before interest, taxes, depreciation and amortization (EBITDA) for corporate income tax purposes. Net borrowing costs up to €1 million will always be deductible, even if they exceed 30% of the EBITDA for corporate income tax purposes. COVID-19 may impact the EBITDA of taxpayers, as a result of which taxpayers may face interest deduction limitations under the aforementioned rule. It is noted however that any non-deductible interest may be carried forward indefinitely.

Links and resources

Government materials

- ▶ <https://www.rijksoverheid.nl/actueel/nieuws/2020/03/17/coronavirus-kabinet-neemt-pakket-nieuwe-maatregelen-voor-banen-en-economie>
- ▶ <https://www.government.nl/latest/news/2020/03/19/coronavirus-dutch-government-adopts-package-of-new-measures-designed-to-save-jobs-and-the-economy>

EY materials

- ▶ <https://www.ey.com/gl/en/services/tax/international-tax/tax-alert-library>

Overview

- ▶ On 17 March 2020 the Government released its \$12.1b [Business Continuity Package](#). The package represents 4% of New Zealand's GDP, is one of the largest packages in the world on a per capita basis and is described by the Minister of Finance as "the largest investment in our lifetimes".
- ▶ In addition to the tax measures, other announced measures will provide financial relief to businesses in the most affected industries, and at-risk employees with a financial safety net through targeted wage subsidies. The Government hopes to support employers to retain staff and workers to self-isolate as required.
- ▶ The Government will be administering wage subsidies for employers of affected businesses who may otherwise face difficulties retaining their staff. To qualify businesses must be able to show a 30% decline in revenue due to COVID-19, month-on-month for any month between January and June 2020 (compared to last year). Minister Robertson also noted that businesses are expected to approach their banks for financial assistance in the first instance.
- ▶ Employers eligible to receive the subsidy will receive a lump sum payment of the equivalent of \$585/week for each eligible full-time employee, and \$350/week for part-time employees. The subsidy will be capped at 12 weeks and \$150,000 per businesses. Over a 12-week period the full subsidy equates to roughly 21 full-time employees per week, which in effect limits the application of the measures for larger employers.
- ▶ The subsidy will be administered by the Ministry of Social Development (MSD), as was the case with earlier Canterbury Earthquake wage-subsidy scheme. The same measures will be available for those who are self-employed and working as contractors.
- ▶ Increases in sick-leave payments have been announced to support the use out of self-isolation, which the Government sees as central to a successful COVID-19 public health strategy.
- ▶ The Government also announced significantly increased funding for the health sector to strengthen health services to fight and contain COVID-19. The overall measures nearly double the current annual spending on core public health services.

Business tax

- ▶ **Re-introduction of depreciation on commercial buildings:** Depreciation deductions at 2% diminishing value will be reintroduced for new and existing industrial and commercial buildings, including hotels and motels. The impact of these additional deductions will have the effect of reducing the taxes payable for the 2020-21 income year with a reciprocal impact on provisional taxes payable immediately. The cost of this change at \$2.1b represents a significant part of the overall \$12.1b package.
- ▶ **UOMI write off:** The Government has announced that it will implement a process to remit Use of Money Interest (UOMI) payable on or after 14 February for impacted businesses. The new remission process will be in place for two years. Businesses and individuals will need to show an inability to pay tax by the due date as a result of being significantly adversely impacted by the COVID-19 outbreak. Detail on the objective tests is yet to be finalized.
- ▶ **Low value assets:** The Government has announced changes to increase to \$5,000 the current \$500 low-value asset threshold that allows businesses to deduct upfront the cost of assets purchased rather than having to spread the cost over the life of the asset. The threshold increase will apply for the 2020-21 income year, but will be reduced back to \$1,000 from the 2021-22 income year.

Personal Tax

- ▶ **Provisional tax relief:** The Government has announced an increase in the provisional tax threshold from \$2,500 RIT to \$5,000. The changes will take effect for the 2020/21 income year and will result in fewer taxpayers needing to comply with the provisional tax regime.

VAT, GST and Trade

- ▶ Taxpayers that have difficulty paying outstanding tax may set up an installment arrangement or a write-off due to serious hardship. Extensions of filing dates for some income tax returns may be available. Extensions cannot be granted for GST and PAYE returns, but any penalties for late filing may be relieved. Under limited circumstances penalties for late payments incurred due to the effects of the COVID-19 may also be relieved.

Links and resources

Government materials

<https://www.beehive.govt.nz/release/121-billion-support-new-zealanders-and-business>

Overview

On 16 March 2020, the Central Bank of Nigeria (CBN) has announced various policy measures:

- ▶ Intervention facilities have been granted; a further moratorium of one year on all principal repayments, effective March 1, 2020.
- ▶ Interest rate on all CBN intervention facilities have been reduced from 9% to 5% effective March 1, 2020.
- ▶ Credit facilities available to SMEs affected by Covid-19 including hoteliers, airline service providers healthcare merchants.
- ▶ CBN is open to granting loans to pharmaceutical companies intending to expand/build the health facilities to first class centers.
- ▶ CBN has granted deposit banks permission to consider temporary and time-limiting restructuring of tenor and loan terms for businesses and households impacted by Covid-19, particularly, the oil and gas, agriculture and manufacturing sector.
- ▶ CBN will consider additional incentives to encourage extension of longer termed credit facilities.
- ▶ CBN will provide liquidity backstops when required.

Personal Tax

VAT, GST and Trade

Business tax

Links and resources

Overview

- ▶ Many Norwegian businesses are already heavily affected by the outbreak of the COVID-19 virus, by ways of experiencing liquidity difficulties or losses. In an attempt to address the difficulties, the Norwegian Government has proposed government loan and guarantee schemes as well as temporary changes to the Norwegian direct and indirect tax legislations, labor legislation and rules related to government benefits.
- ▶ In addition, temporal measures were implemented in order to mitigate the employers' costs derived from the work force reduction.
- ▶ Further changes and measures are expected to be proposed in the time to come.

Personal Tax

- ▶ Individuals owning shares or a business are subject to net worth tax on their assets. If the company or business is loss-making in 2020, the individual may defer the payment of the wealth tax due in 2021 by one year.
- ▶ The deadline for the first advanced payment of income tax (self-employed persons) corresponding to 2020 was due on 15 March 2020. The deadline has been extended until 1 May 2020. The proposal does not grant an access to claim back any taxes already paid.

VAT, GST and Trade

- ▶ The current low VAT rate will be reduced from 12 to 8 %. Reduced rate applicable from 1 April to 31 October 2020.
- ▶ For VAT due for the first VAT term (January/February 2020), the Government has proposed to extend the payment due date from 14 April 2020 to 10 June 2020. The extension will apply for all entities registered in the VAT registry. The VAT filing due date is not extended.
- ▶ Due to the severe financial difficulties in the airline industry, the Government proposes the following temporary measures:
 - ▶ Abolish air passenger duties for the period 1 January - 31 October 2020
 - ▶ Abolish airport duties until 30 June 2020

Business tax

- ▶ For companies reporting tax losses in the tax year 2020, the Government has proposed that losses can be carried back against taxable profits incurred in 2019 and/or 2018 up to NOK30 million. Hence, companies should take this into consideration when determining the group contributions for the year 2019.
- ▶ For companies, the 2019 corporate income tax liability is due on 15 February 2020 and 15 April 2020. The Government has proposed an extension of the second term due on 15 April 2020 to 1 September 2020. No interest shall accrue due to the extension. For the tax already paid, the Government has not allowed for these payments to be reclaimed.
- ▶ The employer social security rate is temporarily reduced with 4 percentage points.
- ▶ The employer social security payment deadline for 2nd term 2020 (due 15 May 2020) has been extended to 15 August 2020.

Links and resources

EY materials

- ▶ [Norwegian government proposes temporal measures in relation to Covid-19](#)
- ▶ [Responding to Covid-19](#)
- ▶ [Corona virus \(Covid-19\), The most important labor law issues in the Nordic countries](#)

Overview

- ▶ Decree 3442/2020 "Provides for the implementation of preventive actions against the risk of expansion of the Coronavirus (covid-19) to the National Territory" dated March 9, 2020.
- ▶ Decree No. 3456/2020 "Declaration of a State of Sanitary Emergency throughout the national territory to control compliance with the sanitary measures set forth in the implementation of preventive actions against the risk of expansion of the Coronavirus (COVID-19)" dated March, 16, 2020.
- ▶ Tax Resolutions issued by the Ministry of Finance (SET) establish that, among others: suspension of activities with the public on the taxpayer attention platforms, several applications in SET will be received, analyzed and approved electronically and via call center, presentation of external tax audit opinions is exceptionally extended until November 2020, tax compliance certificates issued from the date until June 30, 2020 will be valid for ninety (90) calendar days.

Personal Tax

- ▶ Decree No. 3457/2020 "Establishes an exceptional regime for the payment of personal income tax (IRP) and establish a period of regularization for compliance with personal tax obligations"

VAT, GST and Trade

Business tax

Links and resources

<http://www.gacetaoficial.gov.py/index/buscarConTenidos>

Overview

- ▶ Declaration of State National Emergency due to the coronavirus spread. It establishes the suspension of various work activities and limited public transportation. All on-going terms and deadlines of tax procedures already initiated are suspended for 30 business days counting from March 16, 2020 (Urgent Decree No. 026-2020).
- ▶ For payments in installments granted before March 15, 2020, the installments to be paid on March could be paid later on April with no penalties or consequences at all (Peruvian Tax Authority Resolution No 058-2020/SUNAT).
- ▶ Peruvian Tax Authority will not apply tax penalties at its sole discretion for infractions committed or detected during the National Emergency initiated on March 16, 2020 to March 30, 2020 (Peruvian Tax Authority Resolution No 008-2020-SUNAT/700000).

Personal Tax

- ▶ Taxpayers with income up to 2,300 Tax Units (USD 2,841,176 approx.) during fiscal year 2019, have the possibility to postpone the filing of the 2019 annual income tax return and its payment until June and July 2020 (originally, the deadline was late March or early April 2020). (Peruvian Tax Authority Resolution No. 055-2020/SUNAT).

VAT, GST and Trade

- ▶ 0% Customs duties to the importation of certain medicines, medical equipment and devices during the 90 calendar days counted as from March 12, 2020. At the end of that period, the rate will go back to 6%. (Supreme Decree No. 051-2020-EF).

Business tax

- ▶ Taxpayers with income up to 2,300 Tax Units (USD 2,841,176 approx.) during fiscal year 2019, have the possibility to postpone the filing of the following: i) The monthly income tax return for the month of February 2020 until the first days of April 2020; ii) The filing of the electronic sales register and the electronic income register and the electronic purchase register for the month of February 2020 until the first days of April 2020; iii) The annual return of operations with third parties until April 7, 2020; iv) The filing of the 2019 annual income tax return and its payment until June and July 2020 (originally, the deadline was late March or early April 2020) (Peruvian Tax Authority Resolution No. 055-2020/SUNAT).

Links and resources

Government materials

- ▶ <https://busquedas.elperuano.pe/normaslegales/aplican-la-facultad-discrecional-en-la-administracion-de-san-resolucion-n-008-2020-sunat700000-1865065-1/>
- ▶ <https://busquedas.elperuano.pe/normaslegales/disponen-medidas-adicionales-para-favorecer-la-disponibilidad-resolucion-n-058-2020-sunat-1865067-1/>
- ▶ <https://busquedas.elperuano.pe/normaslegales/adoptan-medidas-para-facilitar-el-cumplimiento-de-las-obliga-resolucion-n-055-2020-sunat-1865013-1/>
- ▶ <https://busquedas.elperuano.pe/normaslegales/decreto-de-urgencia-que-establece-diversas-medidas-excepcion-decreto-de-urgencia-n-026-2020-1864948-1/>
- ▶ <https://busquedas.elperuano.pe/normaslegales/modifican-cronograma-de-vencimientos-para-la-declaracion-jur-resolucion-n-054-2020-sunat-1864484-1/>
- ▶ <https://busquedas.elperuano.pe/normaslegales/establecen-tasa-de-derechos-arancelarios-aplicable-a-la-impo-decreto-supremo-n-051-2020-ef-1864933-1/>

Overview

On 16 March 2020, the Philippines announced a Php27.1 billion (US\$542 million) fiscal support package:

- ▶ Providing funds to directly contribute to efforts to stop the spread of COVID-19.
- ▶ Providing wage subsidy/financial support and unemployment benefits to affected businesses and displaced workers.
- ▶ Scholarship programs for the upskilling and reskilling of displaced workers.
- ▶ Programs and projects to support the tourism industry.
- ▶ Loans and a one-year moratorium for small farmers and fisherfolks.
- ▶ Microfinancing special loan package for affected micro entrepreneurs / micro, small and medium enterprises.
- ▶ Ongoing assistance to find new supply sources and non-traditional markets for industries affected by supply chain disruptions.

Additional support mechanisms include:

- ▶ Mobilizing funds from Government Owned and Controlled Corporations to assist airlines and the broader tourism industry.
- ▶ Offering low-interest loans and loan amortization restructuring programs through the Philippines' largest government banks.
- ▶ Granting of temporary regulatory and liquidity relief measures for financial institutions as approved by the Monetary Board.

Personal Tax

- ▶ The filing and payment of BIR Forms 1601C for the months of February and March, and the submission of BIR Forms 1604CF and 2316, due between 20 March 2020 and 15 April 2020, have been extended for 30 calendar days without the imposition of penalties. Taxpayers who are ready to file ahead of the extended deadlines are encouraged to file and pay their taxes using the BIR's electronic filing and payment facilities.

VAT, GST and Trade

- ▶ The filing and payment of BIR Forms 2250M and 2550Q (Monthly and Quarterly VAT), due between 20 March 2020 and 15 April 2020, has been extended for 30 calendar days without the imposition of penalties. Taxpayers who are ready to file ahead of the extended deadlines are encouraged to file and pay their taxes using the BIR's electronic filing and payment facilities.
- ▶ Filing of VAT refund applications for the quarter ending 31 March 2020 is extended until 30 April 2020. The 90-day period for the processing of filed VAT refund claims and claims that will be filed from 16 March 2020 to 20 April 2020 is suspended.

Business tax

- ▶ The filing and payment of tax returns, including the Annual Income Tax Return, due between 20 March 2020 and 15 April 2020, has been extended for 30 calendar days without the imposition of penalties. Taxpayers who are ready to file ahead of the extended deadlines are encouraged to file and pay their taxes using the BIR's electronic filing and payment facilities.

Links and resources

Government materials

[Government economic team rolls out P27.1b package](#)

[RMC No. 27-2020](#)

[RMC No. 28-2020](#)

[RMC No. 29-2020](#)

[BSP No. M-2020-008](#)

[Statement of BSP Governor on the Regulatory Relief for Banks](#)

Description	Personal tax measures	VAT/GST and Trade measures	Business measures	EY/Government materials
<ul style="list-style-type: none"> ▶ Stimulus package plans were announced in Poland on 17 March 2018. The assumptions of the package, as announced, are to be translated into laws later this week, and more precise information will be available in a few days. ▶ The stimulus package will cover 5 key pillars and its value will amount to approx. PLN 212 billion (approx. USD 56 bn): <ul style="list-style-type: none"> ▶ Pillar 1 - activities related to the protection of jobs and employment; ▶ Pillar 2 - activities related to the protection of enterprises; ▶ Pillar 3 - activities related to supporting health care; ▶ Pillar 4 - activities related to the functioning of the financial system (deposits); ▶ Pillar 5 - activities related to public investment support. 	<ul style="list-style-type: none"> ▶ Postponing of the PIT declaration deadline by at least one month. 	<ul style="list-style-type: none"> ▶ Postponement of the date of entry into force - from 1 April to 1 July 2020 - of the new JPK_VAT (extended SAF-T) for large companies. 	<p>Pillar 2 of the package includes:</p> <ul style="list-style-type: none"> ▶ The possibility to postpone social security contributions, as well as after deferment, repayment in installments in order to avoid accumulation of payments; ▶ Liquidity and guaranteeing (loan guarantees), which will be provided by PFR, BGK or ARP; ▶ Preferentially interest-bearing loans up to PLN 5,000 for micro-entrepreneurs; ▶ Solutions for the transport and logistics industry consisting in the possibility of refinancing lease contracts by the Industrial Development Agency. 	

Overview

Further to the measures approved, aiming at assuring the social protection of workers and their families, as well as to promote the stability of the National Health Service, the Portuguese Government has also approved a set of measures aiming the mitigation of the economic impact of COVID-19, mainly through the support to companies' treasuries and protecting employment contracts.

Further to the monetary and tax measures adopted, the Portuguese Government has introduced measures aiming at:

- ▶ Accelerating the payment and the current availability of incentives by the State;
- ▶ Eligibility for the application of incentives under the program Portugal 2020 (a program providing a set of incentives for companies operating in various sectors), of expenses incurred with international events canceled due to the virus;
- ▶ Accelerating payments overdue by public entities towards private companies.
- ▶ Moreover the president of Portugal has declared the state of emergency over the spread of Covid-19, which was already approved by the Parliament.
- ▶ Further to the social limitations inherent of a state of emergency, under the state of emergency, four more credit lines were made available through banking institutions and guaranteed by the State. In total, these credit lines represent EUR 3,000m of additional financing to the economy, with a grace period of up to 12 months, and to be amortized up to four years. These credit available for the following sectors: tourism, industry and restaurants and similar business.

The Portuguese Government has announced the creation of the 4 specific credit lines of an overall amount of Eur 3,000m, to be made available by Portuguese financial institutions and guaranteed by the State:

- ▶ A specific credit line amounting to Eur 600m (of which Eur 270m are exclusive to Micro and SMEs) to support companies operating in the food and beverages sector;
- ▶ A specific credit line amounting to Eur 200m (of which Eur 75m are exclusive to Micro and SMEs) to support companies operating in the tourism sector;
- ▶ A specific credit line amounting to Eur 900m (of which Eur 300m are exclusive to Micro and SMEs) to support companies operating in the lodging sector;
- ▶ A specific credit line amounting to Eur 1.300m (of which Eur 400m are exclusive to Micro and SMEs) to support companies operating in the industry sector.

The specific credit lines above should have the following conditions: Maximum credit amount per company: Eur 1.5m; maturity: 4 years.

Besides the specific credit lines above, the following already existing credit lines are also available:

- ▶ Eur 200m credit line amounting to support treasury shortages of companies in all eligible sectors;
- ▶ Eur 60m credit line to Micro companies in the tourism sector.

Personal Tax

On March 20, a Resolution of the Ministers Council establishing an exceptional and temporary regime for complying with tax obligations, social contributions and granting mutual guarantee, within the scope of COVID-19 was enacted.

In this context, the Government has decided to make the payment of taxes and social contributions more flexible, as well as to determine the suspension, until 30 June 2020, of tax enforcement proceedings in progress. The payment to the State of personal and corporate withholding taxes may be fulfilled in one of the following ways:

- ▶ Immediate payment, under general terms,
- ▶ Payment in instalments in three monthly instalments without penalties,
- ▶ Payment divided into six monthly instalments, with penalty applied only to the last three months.

VAT, GST and Trade

Similarly to the Personal Tax, the flexible payment of VAT is foreseen under the same terms. Please refer to the "personal tax" tab.

Business tax

General tax measures include:

- ▶ Reinforcement of the information available on the utilization of electronic services by the taxpayers in alternative of physical visits to the tax offices;
- ▶ The infection or prophylactic isolation of taxpayers or certified accountants, confirmed by health authorities represents a sufficient condition to justify the incapacity of the taxpayer/company to comply with tax obligations;
- ▶ If treasury shortages do not allow the full settlement of the CIT/PIT due for FY 2019, taxpayers are allowed to request that the tax due is paid by instalments, without having to wait for a tax enforcement procedure (this request is subject to approval by the Minister of Finance).

CIT measures:

On 11 March 2020, the Portuguese Government announced the following measures (foreseen in the Order n.º 104/2020-XXII) mainly related with the deferral of CIT fillings and payment:

- ▶ Deferral of the deadline for the 1st instalment of the Special Payment on Account ("Pagamento Especial por Conta"), when due, from 31 March 2020 to 30 June 2020;
- ▶ Extension of the deadline to file the CIT return ("Modelo 22") regarding FY 2019, from 31 May 2020 to 31 July 2020;
- ▶ Deferral of the deadline for the 1st installments of the Payment on Account ("Pagamento por Conta") and Additional Payment on Account of the CIT ("Pagamento Adicional por Conta"), from 31 July 2020 to 31 August 2020;

For entities whose FY is different from the civil year, it is not known yet how this measures will apply. Nevertheless, further clarifications are expected to be issued soon.

Links and resources

Government materials

- ▶ https://www.occ.pt/fotos/editor2/comunicadogoverno_9marco2020.pdf
- ▶ <https://www.portugal.gov.pt/pt/gc22/governo/comunicado-de-conselho-de-ministros?i=330>

Overview

- ▶ On March 12, 2020, the Governor of Puerto Rico (PR) declared a state of emergency in response to the impact of Covid-19. Subsequently, on March 15, 2020, the Governor issued an executive order establishing additional measures to prevent the spread of COVID 19 in PR. The executive order mandates a lockdown of basically all non-essential governmental services and functions, as well as of businesses in general with certain exceptions. Businesses dedicated among other, to retail food sale (only by drive-thru, carry out or deliver), pharma drugs or medical equipment, pharmacies, gas stations, supermarkets, financial institutions. The lockdown is effective starting March 15, 2020 at 6pm through March 30, 2020

Personal Tax

- ▶ Puerto Rico Treasury Department (PRTD) announced the extension of the filing of the Puerto Rico Individual Income Tax Return from April 15 to May 15.
- ▶ Additional extension was announced on March 23, 2020 by the PR Governor, through July 15. Pending official guidance from the PRTD for further details.

VAT, GST and Trade

- ▶ PRTD announced in Administrative Determination (AD) 20-05 the extension of the monthly Sales and Use tax (SUT) returns that are due between March 15 and 31 for one month.
- ▶ The February monthly state and municipal SUT returns that would be due on March 20 are extended through April 20.
- ▶ Tax on Imports Monthly Return due on April 10th is extended for one month.
- ▶ SUT bi-monthly payment due on March 16 and March 31 are not extended but no penalty would be assessed if balance is paid with monthly SUT return by April 20.
- ▶ Additional extension for the bi-monthly payment was announced on March 23, 2020 by PR Governor. Pending guidance from PRTD for further details.

Business tax

- ▶ The Puerto Rico Treasury Department (PRTD) announced in AD 20-05 a one-month extension for the filing of returns that are due between March 15 and April 15*.
- ▶ PR Income Tax Return for Pass-through entities that is generally due on March 15 is extended through April 15.
- ▶ PR Corporate Income Tax Return that is generally due on April 15 is extended through May 15.
- ▶ All other taxpayers with a fiscal year end, tax return or extension due in March 15 is extended through April 15.
- ▶ Estimated tax payments due in March are extended to April 15.
- ▶ Estimated tax payments due in April 15 are extended to May 15.
- ▶ Informative returns originally due on February 28 (and previously extended through March 31) are extended further until April 15.

Links and resources

Government materials

- ▶ <http://www.hacienda.gobierno.pr/sobre-hacienda/publicaciones/area-de-rentas-internas-y-area-de-politica-contributiva/publicaciones-oficiales>

Overview

Personal Tax

VAT, GST and Trade

Business tax

Links and resources

- ▶ Internal revenue licenses - notice of alert about risk of suspension of license and imposition of penalties in cases businesses do not comply with lockdown rules decreed by the Puerto Rico Governor.
- ▶ PR Department of State: Annual Report & Annual fee extended until May 15.
- ▶ Director of Finance Municipalities: Municipal license tax payment extended until May 22.

* Income tax returns and payments may be postponed further until July 15, 2020 as announced by PR Governor. Furthermore, such extension could impact the above due dates. However, no publication or guidance from the PRTD has been issued at this time yet.

[Back to top](#)

Overview	Personal Tax	VAT, GST and Trade	Business tax	Links and resources
			<ul style="list-style-type: none">▶ The GTA (General Tax Authority) issued a circular to extend the deadline of filing tax returns for the State Income Tax Regime for 2 months from 30 April until 30 June 2020.	

[Back to top](#)

Overview

Personal Tax

VAT, GST and Trade

Business tax

Links and resources

- ▶ Zero-rated import duties applicable to certain socially significant goods (to be determined by the government).

- ▶ Tax payment deferral for companies in the tourism and air transportation sectors (to be extended to other sectors);
- ▶ Deferral of social security contributions of up to 3 months for micro businesses (i.e. enterprises with fewer than 15 employees);

Overview

- ▶ On 20 March 2020, and in consideration of the current global COVID-19 pandemic, the Commissioner General for the Rwanda Revenue Authority issued a public notice highlighting the short-term measures to be implemented in support of taxpayer compliance.

Personal Tax

VAT, GST and Trade

Business tax

Tax measures adopted include:

- ▶ Extension of the period required for taxpayers to submit their certified annual year 2019 financial statements from 31 March 2020 to 31 May 2020.
- ▶ The deadline for submitting the year 2019 corporate income tax declarations and paying the corresponding tax balance due remains as of 31 March 2020.
- ▶ A one-month suspension of physical comprehensive tax and post clearance audits with effect from 18 March 2020. However, desk audits will not be affected by this suspension.
- ▶ A one-month suspension of the requirement for taxpayers under amicable settlement (alternate dispute resolution) to pay a down payment of 25% of the outstanding tax admissible. This suspension will be effective from 23 March 2020 and will require a taxpayer to submit an online request.

Links and resources

Overview

Saudi Arabian Monetary Authority (SAMA) announced the introduction Private Sector Financing Support Program with a total value of SAR 50 Billion as follows:

- ▶ Supports the SME sector by:
 - a) Deferred Payment Program, where the Govt will deposit SAR 30 Billion in banks and financial institutions to delay the dues from the SMEs for a period of 6 months.
 - b) Funding for Lending Program, where the Govt will provide concessional finance of about SAR 13.2 Billion to the SMEs to support business continuity and sector growth.
 - c) Loan Guarantee Program, where the Govt will deposit SAR 6 Billion in banks and financial institutions to relieve the SMEs from the burden of KAFLA Program's finance costs.
- ▶ Supports the POS and e-Commerce service providers by supporting the payment fees of all the stores and entities in the private sector for 3 months, and it amounts to SAR 800 Million.
- ▶ Supports the institutions in Makah and Madina, affected by the precautionary measures, by coordinating with the banks and finance companies to facilitate finance repayments.

Personal Tax

VAT, GST and Trade

- ▶ The deadline for submitting the VAT and excise tax returns and settling due tax is extended by 3 months for returns which fall due between 18 March 2020 to 30 June 2020.
- ▶ Postponement of the payment of due VAT to be paid by registered persons to Customs Authority for imports related to their business activity, while allowing them to pay it through the VAT return of the import period.
- ▶ Postponement of the due Excise tax payments, to be paid by registered persons to Customs Authority for all taxable items that are not subject to tax suspension according to applicable procedures for persons who have obtained a tax warehouse license.

Business tax

- ▶ The deadline for submitting the Zakat returns, Income Tax returns, and Withholding Tax returns: and settling due zakat and tax is extended by 3 months for returns which fall due between 18 March 2020 to 30 June 2020.
- ▶ Fines for late payments of instalments, amendment of declarations, non-cooperation of taxpayers, and examination fines have been suspended until 30 June 2020.
- ▶ The procedure to stop services of taxpayers and seizing funds has been suspended until 30 June 2020.
- ▶ Issuing the Zakat certificates without restrictions for the year 2019.
- ▶ Acceptance of instalment applications without an advance payment until 30 June 2020.
- ▶ Expediting the refund payment requests claimed by taxpayers.
- ▶ Suspension of the special requirements to submit bank guarantee until 30 June 2020.

Links and resources

vernment materials

<http://www.sama.gov.sa/en-US/News/Pages/news-514.aspx>

https://gazt.gov.sa/ar/MediaCenter/News/Pages/News_309.aspx

Overview

Against the backdrop of uncertain times and Covid-19 outbreak, Singapore's Deputy Prime Minister and Minister for Finance, Mr. Heng Swee Keat, delivered the 2020 Budget on 18 February 2020. Amongst the tax changes and measures introduced in the 2020 Budget, a S\$6.4 billion package is set aside to deal with the immediate challenges and Covid-19. It comprises the following:

- ▶ S\$800 million to supporting frontline agencies in their efforts to contain the Covid-19 outbreak, with the bulk allocated to the Ministry of Health
- ▶ Stabilization and Support Package of S\$4 billion to stabilize the economy and support workers and enterprises
- ▶ Care and Support Package of S\$1.6 billion to provide additional and timely help to more households with their cost of living

Personal Tax

VAT, GST and Trade

As no Goods and Services Tax (GST) rate increase was announced, the rate will remain at 7% in 2021; it is expected to increase to 9% sometime between 2022 and 2025

Business tax

- ▶ Granting a Corporate Income Tax rebate of 25% of tax payable, capped at S\$15,000 (US\$10,700) for the year of assessment (YA) 2020
- ▶ Automatic extension of interest-free instalments of two months for payment of CIT on Estimated Chargeable Income (ECI)
- ▶ Enhancing the carry-back relief scheme to allow qualifying deductions for YA 2020 to be carried back up to the three immediately preceding YAs (it is currently allowed for only the immediate preceding YA), capped at S\$100,000 (US\$71,400) of qualifying deductions and subject to conditions
- ▶ Providing an option to accelerate the tax depreciation claim for plant and machinery acquired for YA 2021 over two years i.e., 75% of the cost in YA 2021 and remaining 25% in YA 2022
- ▶ Providing an option to accelerate the deduction of qualifying expenditures incurred on renovation and refurbishment for YA 2021 in one YA instead of over three consecutive YAs as currently allowed, subject to an expenditure cap of S\$300,000 (US\$214,200)

Links and resources

EY materials

https://www.ey.com/en_sg/tax/singapore-budget-2020-synopsis

https://www.ey.com/en_sg/tax/tax-alerts/budget-highlights-for-the-c-suite

Government materials

https://www.singaporebudget.gov.sg/docs/default-source/budget_2020/download/pdf/annexa1

https://www.singaporebudget.gov.sg/docs/default-source/budget_2020/download/pdf/annexb2

https://www.singaporebudget.gov.sg/docs/default-source/budget_2020/download/pdf/annexc1

Overview

- ▶ South African Reserve Bank announcement regarding interest rates. The South African Reserve Bank's Monetary Policy Committee has cut the repo rate by 100 basis points from 6.25% to 5.25% effective 20 March 2020.
- ▶ Commercial banks can be expected to follow suit and reduce the prime lending rate from 9.75% to 8.75%.

Personal Tax

VAT, GST and Trade

Business tax

Links and resources

Government materials

- ▶ <https://www.resbank.co.za/Lists/News%20and%20Publications/Attachments/9790/March%202020%20MPC%20statement.pdf>

Overview

- ▶ On 27 February 2020, the Korean National Tax Service announced that it will allow a one-month filing extension for corporate income tax returns for taxpayers located in a specific area, (such as Daegu) due to the coronavirus. The normal filing due date is 3 month after the end of fiscal year.
- ▶ On 17 March 2020, the Ministry of Finance announced a corporate income tax exemption for small to medium enterprises located in specific areas (e.g. Daegu, Chungdo, etc.), except for enterprises engaging in real estate rental, professional services, financial & Insurance businesses, etc.

Personal Tax

VAT, GST and Trade

Business tax

- ▶ The deadline for the submission of corporate tax returns for 2019 is extended for one month to 4 May 2020 for the fiscal year ended 31 December 2020.
- ▶ A one-off corporate income tax exemption (limited to KRW 200M) for small and medium enterprises located in specific areas. A small enterprise is permitted to exempt up to 60% of its income tax liability and a medium enterprise is permitted to exempt up to 30% of its income tax liability.

Links and resources

Government materials

- ▶ [National Tax Service](#)
- ▶ [Ministry of Economy and Finance](#)

Overview

- ▶ On 14 March 2020, the Spanish Government issued Royal Decree 463/2020 declaring a State of Alarm (In Spanish, Estado de Alarma) for Spain. The Decree sets forth certain temporary measures that will apply during the current world health crisis. The duration of this State of Alarm as per the Decree is of 15 natural days (the longest this State can be declared as per the Spanish rules), but it can be extended if so approved by the Parliament.
- ▶ Also, on 13 March 2020, the Spanish Government issued Royal-Decree Law 7/2020 providing small and medium-sized companies with a deferral for payment of certain tax debts (amounts due not exceeding €30,000 for up to six months -the first three months without incurring delay interest-). For these purposes small and medium-sized companies are those whose turnover in the previous year does not exceed €6,010,121.04 in 2019.
- ▶ On 18 March 2020 the Government has published the Royal Decree 465/2020 that modifies Royal Decree 463/2020 and the Royal-Decree Law 8/2020, establishing extraordinary urgent measures to address the economic and social impact of Covid-19 (amongst other, related to liquidity of companies, labor, mortgage repayment schedules, etc.)

Personal Tax

- ▶ The term of administrative and court procedures are suspended and deadlines are "interrupted" (including tax and penalty procedures).
- ▶ The Statute of Limitations (SoL) and Expiry periods of any actions and rights will be suspended during the period of validity of the State of Alarm and, if necessary, of any extensions adopted. Therefore, among others, the four-year SoL period is suspended.
- ▶ Royal Decree 465/2020 clarifies that deadlines to file periodic returns (as the Personal Income Tax return) are not suspended.
- ▶ Royal-Decree Law 8/2020 establishes an extension of the debt payment terms tax on voluntary or executive period, as well as in the pressing (*apremio*) procedure; and (b) deadlines for the formalities of tax procedures as, sanction or *ex officio* review (information requirements or seizures, allegations).
- ▶ Such an extension of time does not affect the payment of periodic self-assessment returns/liquidations, but only liquidations drawn by the Administration and debts in the executive period.
- ▶ This expansion takes place until 30 April for deadlines and formalities that have not ended on 17 March (the Royal-Decree Law enters into force on 18 March); and at least until May 20 for those that start from 17 March.

VAT, GST and Trade

- ▶ The term of administrative and court procedures are suspended and deadlines are "interrupted" (including tax and penalty procedures).
- ▶ The Statute of Limitations (SoL) and Expiry periods of any actions and rights will be suspended during the period of validity of the State of Alarm and, if necessary, of any extensions adopted. Therefore, among others, the four-year SoL period is suspended.
- ▶ Royal Decree 465/2020 clarifies that deadlines to file periodic returns (such as the VAT returns) are not suspended.
- ▶ Royal-Decree Law 8/2020 establishes an extension of the debt payment terms tax on voluntary or executive period, as well as in the pressing (*apremio*) procedure; and (b) deadlines for the formalities of tax procedures as, sanction or *ex officio* review (information requirements or seizures, allegations).
- ▶ Such an extension of time does not affect the payment of periodic self-assessment returns/liquidations, but only liquidations drawn by the Administration and debts in the executive period.
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Business tax

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- ▶ The Statute of Limitations (SoL) and Expiry periods of any actions and rights will be suspended during the period of validity of the State of Alarm and, if necessary, of any extensions adopted. Therefore, among others, the four-year SoL period is suspended.
- ▶ Royal Decree 465/2020 clarifies that deadlines to file periodic returns (such as the CIT return) are not suspended.
- ▶ Royal-Decree Law 8/2020 establishes an extension of the debt payment terms tax on voluntary or executive period, as well as in the pressing (*apremio*) procedure; and (b) deadlines for the formalities of tax procedures as, sanction or *ex officio* review (information requirements or seizures, allegations).
- ▶ Such an extension of time does not affect the payment of periodic self-assessment returns/liquidations, but only liquidations drawn by the Administration and debts in the executive period.
- ▶ This expansion takes place until 30 April for deadlines and formalities that have not ended on 17 March (the Royal-Decree Law enters into force on 18 March); and at least until May 20 for those that start from 17 March.

Links and resources

EY materials

<https://taxnews.ey.com/news/2020-0575-spain-declares-state-of-alarm-immediate-tax-implications>

Overview

The Government has introduced a set of measures to mitigate the economic effects of Covid-19.

To avoid layoffs as an effect of the general downturn in demand, new rules on short-time work has been introduced. In principle, employers will be able to reduce their employees working hours but the employees will be able to keep almost the entire salary.

Cashflow support is granted through the possibility to postpone payment of taxes.

Employers costs for sick leave will temporarily be taken by the state.

Personal Tax

Normally, the first day of a sick leave is a so-called qualifying day and does not entitle to “sick pay”, i.e. compensation for the employee. This qualifying day is removed, and sick pay thereby granted from the first day of a sick period. This will apply for the period 11 March - 31 May 2020.

Tax returns for individuals that are prepared by accounting or book keeping firms may be filed later than usually, i.e. June 15 instead of May 15.

For individuals commuting between Sweden and Denmark, the new restrictions due to Covid-19 will not lead to a change in social security coverage according to an agreement between the States respective responsible authorities.

VAT, GST and Trade

Several proposals are under way, one of which is the possibility to postpone payment.

Cashflow support for all businesses through the possibility of postponing payment of VAT, social security contributions and tax withheld from employee salaries. These new regulations are proposed to enter into force on April 7, 2020, but to have retroactive effect from January 1, 2020, meaning that taxes already paid may be reclaimed.

Business tax

Several proposals are under way, one of which is the possibility to postpone payment.

On March 16, 2020, the government presented a new proposal for rules on short-time work with financial support from the state. The proposal allows for the employer's salary costs to be reduced by half, while the employee receives more than 90 percent of his or her salary. The new regulations will enter into force on April 7, 2020, but will have retroactive effect from March 16, 2020.

Employers compensation to employees during the first fourteen days of sickness absence will be paid by the government. This will have effect during April and May.

Links and resources

Government materials

<https://www.government.se/press-releases/2020/03/additional-amending-budget-due-to-the-coronavirus/>

<https://skattenatet.ey.se/2020/03/16/cashflow-support-through-postponed-tax-payments-due-to-corona-pandemic/>

<https://skattenatet.ey.se/2020/03/17/new-rules-on-short-time-work/>

[Corona virus \(Covid-19\), The most important labor law issues in the Nordic countries](#)

[Responding to Covid-19](#)

Overview	Personal Tax	VAT, GST and Trade	Business tax	Links and resources
<p>On March 13, 2020 the Swiss government announced that it will support businesses impacted by coronavirus with currently up to CHF 10bn:</p> <ul style="list-style-type: none">▶ Up to CHF 8 billion can be claimed for short-time working compensation from the unemployment insurance fund. Companies will only have to bear the loss of one day's work independently before they are entitled to unemployment insurance support. The Federal Council also instructs the State Secretariat for Economic Affairs to examine by 20 March an extension of the entitlement to short-time working compensation to employees with fixed-term (non-terminable) employment contracts and employees on temporary contracts. Such an extension requires an amendment to the law.▶ For companies that are particularly affected, the Federal Council is considering financial support (e.g., for liquidity bridging or financial assistance) in the form of a hardship provision of up to CHF 1 billion. Under the ship of the Federal Department of Finance, the relevant modalities are to be examined by 1 April and the necessary funds applied for.▶ As of now, up to CHF 580 million in guaranteed bank loans are available to SMEs with financial bottlenecks. An additional CHF 10 million is to go to surety companies for extraordinary administrative costs. Four recognized surety companies can grant guarantees of up to CHF 1 million to companies of any size. Guaranteed bank loans must be repaid. The Federal Council also facilitates the conditions for a guarantee. Until the end of 2020, it intends to assume the one-off application costs and the risk premiums of companies for first year of the guarantee.▶ Up to 4.5 million Swiss francs can be applied for defaults in connection with (trade fair) activities of the official export promoter S-GE.			<p>On 20 March the Federal Council decided several measures with regards to Federal Taxes:</p> <ul style="list-style-type: none">▶ No late payment interest for VAT (and some other federal taxes) in from 21 March to 31 December 2020▶ No late payment interest for federal CIT from 1 March to 31 December 2020 <p>Specific measures might be available also on cantonal/communal level.</p>	<p>Government materials</p> <ul style="list-style-type: none">▶ https://www.bag.admin.ch/bag/de/home/das-bag/aktuell/medien/mitteilungen.msg-id-78437.html

Overview

- ▶ On 25 February 2020, Taiwan's Legislative Yuan passed the statute for prevention and rehabilitation of severe infectious pneumonia (the Statute). The Statute, which was subsequently signed by the President and enacted accordingly, is in response to the recent Covid-19 outbreak and aims to alleviate its impact on the domestic economy and society. The budget connected with the statute is NT\$60 billion (approximately US\$2 billion)
- ▶ The Statute came into effect retrospectively from 15 January 2020 and applies until 30 June 2021 (subject to any extension granted by the Legislative Yuan)

Personal Tax

- ▶ Individual tax filing and payment deadline on 1 June 2020 may be extended to 30 June 2020 if the original filing due date cannot be fulfilled due to the impact of Covid-19
- ▶ Individuals who have difficulty in settling tax payments due to the impact of Covid-19 may file an application for an extension or installment payment of tax liability in accordance with Article 26 of Tax Collection Act

VAT, GST and Trade

- ▶ VAT filing and payment deadlines 15 March, 15 April and 15 May 2020 may be extended to 31 March, 30 April and 1 June 2020, respectively if the original filing and payment due date cannot be fulfilled due to the impact of Covid-19
- ▶ An enterprise who has difficulty in settling tax payments due to the impact of Covid-19 may file an application for an extension or installment payment of tax liability in accordance with Article 26 of Tax Collection Act

Business tax

- ▶ An enterprise may claim a 200% tax deduction for expenses incurred in the tax year on salaries and wages paid to employees who take leave for the one of more in-scope reasons related to Covid-19 infection
- ▶ Corporate income tax filing and payment deadline 1 June 2020 could be extended to 30 June 2020. Companies that use another fiscal year end, rather than calendar year, may be allowed 30 days filing and tax payment extension, if their fiscal year end is prior to 1 June 2020
- ▶ An enterprise who has difficulty in settling tax payments due to impact of Covid-19 can file an application for an extension or installment payment of tax liability in accordance with Article 26 of Tax Collection Act

Links and resources

Government materials

<https://law.moj.gov.tw/News/NewsDetail.aspx?msgid=153844>

Overview	Personal Tax	VAT, GST and Trade	Business tax	Links and resources
<p>On 10 March 2020, the Cabinet approved 5 tax measures to stimulate the economy, as summarized:</p> <ol style="list-style-type: none"> 1. Reduction of withholding tax rate 2. Deduction of 1.5 times actual interest expenses allowed for SMEs with soft loans 3. Deduction of 3 times wage expenses for SMEs 4. Acceleration of VAT refunds for domestic business operators 5. Tax deductions for donations made to resolve Covid-19 issues in 2019 <p>Further details of this measure and associated regulations have yet to be announced.</p>	<ul style="list-style-type: none"> ▶ Tax allowances for donations of money for personal income tax calculation purposes, when combined with other donation expenses, shall not exceed 10% of net income. Donations shall be made via the e-Donation system between 5 March 2020 and 5 March 2021. ▶ Further details of this measure and associated regulations have yet to be announced. 	<ul style="list-style-type: none"> ▶ VAT shall be exempted for donations made in assets. ▶ Expediting VAT refunds for domestic business operators: The VAT refund procedure for the Good Exporters shall be expedited to return within 15 days for e-filing and 45 days for paper filing. ▶ Further details of this measure and associated regulations have yet to be announced. 	<ul style="list-style-type: none"> ▶ Tax deductible expenses for donations of assets or money for corporate income tax calculation purposes, when combined with other public charity expenses, shall not exceed 2% of net profit. Donations shall be made via the e-Donation system between 5 March 2020 and 5 March 2021. ▶ A deduction of 1.5 times the actual interest expenses allowed for SMEs with soft loans: SMEs, who have single books of account and participate in the soft loan scheme of the government, can deduct 1.5 times interest expenses paid from 1 April 2020 to 31 December 2020. ▶ A deduction of 3 times the wages expense for SMEs: SMEs can deduct three times the actual wages payment for the months of April 2020 to July 2020, which are made under the prescribed conditions. ▶ Reduction of withholding tax rate: WHT rate reduction for service fees under this measure shall be applicable to both individual and company or juristic partnership as below: <ul style="list-style-type: none"> ▶ From 3% to 1.5% from April 2020 to September 2020 ▶ From 2% to 1.5% from October 2020 to December 2021 (only filing via e-withholding tax system) ▶ Further details of this measure and associated regulations have yet to be announced 	<p>EY materials</p> <ul style="list-style-type: none"> ▶ https://sites.ey.com/sites/THTaxNewsletter/Documents/Flash%20News/Flash%20News%20200313%20EN.pdf

Noted: A Thai SME is a Thai company with revenue not exceeding THB 500 million (USD 15.7 million) and less than 200 employees, among other conditions.

Overview

- ▶ On March 18, Turkey announced a TL 100 billion (\$15.3 billion) economic package called "Economic Stability Shield" to support the economy and reduce the impact of the New Corona Virus Disease (Covid-19).
- ▶ Turkey postpones debt payments and reduces the tax burden on various sectors as part of a \$15.4 billion, with additional fiscal help.
- ▶ On 19 March 2020, Turkey unveiled measures for citizens involving online tax practices to keep them away from crowded places unless there is a mandatory situation.

Personal Tax

- ▶ Filing date of the annual income tax return for individuals and the first installment payment date of the same have been extended until 30 April 2020.
- ▶ Turkey implements Short-time Working Payment system, which will provide temporary income support.
- ▶ Non-Turkish citizens will be able to make their Potential Tax ID requests through the web application (ivd.gib.gov.tr).
- ▶ Any kind of petitions to the tax office that need to be submitted by 10/04/2020 must be submitted electronically via the website (ivd.gib.gov.tr), mobile application (GIB Mobil).

VAT, GST and Trade

- ▶ The VAT rate for domestic flights lowered from 18% to 1% for 3 months.
- ▶ The period of Value Added Tax declarations and the payment to be made by the end of 26 March 2020 have been extended until 24 April 2020.
- ▶ The period of the "Form Ba" and "Form Bs" notifications for the 2020/February period to be submitted by 31 March 2020, has been extended until 30 April 2020.
- ▶ The period of the creation and signing of the Electronic Ledgers and the upload of the Electronic Book Statements to be made by 31 March 2020 have been extended to 30 April 2020.

Business tax

- ▶ Accommodation tax will be waived until November.

Links and resources

- ▶ <https://www.gib.gov.tr/31-mart-2020-gunu-sonuna-kadar-verilmesi-gereken-2019-takvim-yilina-ait-yillik-gelir-vergisi>
- ▶ <https://www.gib.gov.tr/yeni-korona-virus-hastaligi-kovid-19-ile-etkin-mucadele-kapsaminda-alinan-bazi-tedbirler-hakkinda>
- ▶ <https://www.gib.gov.tr/muhtasar-ve-katma-deger-vergisi-odemelerinin-6-ay-ertelenmesine-yonelik-aciklama>
- ▶ <https://www.gib.gov.tr/node/143122>
- ▶ <https://www.gib.gov.tr/mal-ve-hizmetlere-uygulanacak-katma-deger-vergisi-oranlarinin-tespitine-iliskin-kararda-degisikli-17>

Overview

- ▶ On 24 March 2020, the Turkish Revenue Administration announced on its website that a General Communiqué on the application of force majeure tax practice was being prepared. It will be published soon.
- ▶ The list of taxpayers within the scope of force majeure tax practice include; retail trade and shopping centers, iron and steel and metal industry, automotive, logistics-transportation, cinema and theater activities, accommodation, food and beverage services, textile and apparel activities, event and organization, health services, furniture manufacturing, mining and quarrying, construction, industrial kitchen equipment, car rental, printed publishing and printing and all income taxpayers.

Personal Tax

VAT, GST and Trade

- ▶ Turkey postpones for six months the April, May and June WHT and VAT and social security payments of taxpayers within the scope of force majeure.
- ▶ According to Turkish Revenue Administration, only taxpayers and taxpayer groups listed in the announcement can benefit from the force majeure tax practice.
- ▶ For those tax payers, the period of withholding and value added tax return to be submitted in April, May and June have been extended until 27 July 2020 and the period of payment have been extended for six months (in October, November, December).
- ▶ For taxpayers above the age of 65 who are in curfew, the period between the beginning of the curfew and the date when it ends will be considered as a force majeure; the declaration and payment period for taxes in consideration will be extended until the end of the 15th day following the date of prohibition.

Business tax

Links and resources

Government materials

<https://www.gib.gov.tr/koronavirus-salginindan-etkilenmeleri-nedeniyle-beyanlari-uzatilarak-odemeleri-ertelenen-mukellefler>

Overview

- ▶ On 17 March 2020, draft law no. 3220 was adopted by the parliament. The draft law aims to mitigate effects of the COVID-19 pandemic for taxpayers

Personal Tax

VAT, GST and Trade

Business tax

- ▶ Extension of the deadline for filing of the annual income and asset tax returns until 1 July 2020;
- ▶ No land tax payments between 1 March and 30 April 2020
- ▶ No real estate tax levied between 1 March and 30 April 2020 on non-residential immovable property, other than land, owned by individuals or legal entities

Links and resources

Overview

The Government announced the following measures:

- ▶ A 50% reduction in municipal fees paid by hotels and market fees.
- ▶ 10% reduction in water and power bills.
- ▶ Allowing business licenses to be paid in installments without the usual 25% upfront payment.

Personal Tax

VAT, GST and Trade

- ▶ Refund of 20% on the custom fees imposed on imported products sold locally in Dubai.

Business tax

Links and resources

Overview

- ▶ On 11 March, the Monetary Policy Committee of the Bank of England reduced interest rates by 50 basis points, from 0.75% to 0.25%. The Bank in an emergency meeting on 19 March then cut its bank rate by 15 basis points to 0.1% and further increased its holdings of U.K. government bonds and sterling non-financial investment-grade corporate bonds by £200 billion to a total of £645 billion.
- ▶ Shortly thereafter, and in his first budget since taking up the role, British Chancellor Rishi Sunak has unveiled a £30 billion package to boost the economy and get the country through the coronavirus outbreak. This was followed by further announcements on x March and again by further announcements on 20 March.
- ▶ The measures initially directed at supporting employees who were suspected of infection, then small and medium sized businesses and subsequently at larger businesses and employers.
- ▶ These measures have been focused on: supporting employment, providing cash flow support to businesses, and increasing welfare support. These measures have become increasingly substantial as the UK has moved to close some businesses, such as some in the retail, hospitality and leisure sector.
- ▶ Supporting businesses and employment:
 - ▶ Coronavirus Job Retention Scheme: providing grant to employers of up to 80% of previous salary (grant capped at £2,500 per month) for employees who are “furloughed” rather than laid-off.
 - ▶ Business rates in England will be abolished for firms in the retail, leisure and hospitality sectors
 - ▶ Cash grants for smaller businesses
- ▶ Providing cash flow support:
 - ▶ £330bn of Government-backed and guaranteed loans to businesses through two main schemes:
 - ▶ larger firms: Covid Corporate Finance Facility to purchase up to one-year duration commercial paper on terms comparable to those prevailing in markets before the Covid-19 economic shock
 - ▶ SMEs, a Business Interruption Loan Scheme providing loans of up to £5 million, with no interest due for the first twelve months and 80% guaranteed by government
 - ▶ Deferral of next quarter of VAT payments deferred until end of financial year; deferral of self-employed July 2020 instalment payment to January 2021; and a Time to Pay arrangement helpline for other tax liabilities
- ▶ Supporting individuals:
 - ▶ All those advised to self-isolate will be entitled to statutory sick pay, even if they have not presented with symptoms
 - ▶ Self-employed workers who are not eligible will be able to claim contributory Employment Support Allowance
 - ▶ The ESA benefit will be available from day one, not after a week as before
 - ▶ Firms with fewer than 250 staff will be refunded for sick pay payments for two weeks
 - ▶ Payment holiday on mortgages for up to three months (deferral of interest payments)

Personal Tax

- ▶ The next self-assessment income tax payment, due at end July 2020, will be deferred until end January 2021
- ▶ Universal Credit and Working Tax Credit standard allowance extended by £1,000/yr for next 12 months

VAT, GST and Trade

- ▶ Deferral of next quarter (from 20 March 2020) of VAT payments to the end of the financial year (31 March 2021), meaning that no business would pay VAT until the end of June.

Business tax

- ▶ Business rates in England will be abolished for firms in the retail, leisure and hospitality sectors - specific exemptions apply
- ▶ Time to Pay arrangements available for tax liabilities

Links and resources

Government materials

- ▶ <https://www.bankofengland.co.uk/news/2020/march/boe-measures-to-respond-to-the-economic-shock-from-Covid-19>
- ▶ <https://www.gov.uk/government/news/coronavirus-covid-19-guidance-for-employees-employers-and-businesses>

Overview

- ▶ March 3: Federal Reserve (Fed) cuts interest rates by 0.5%
- ▶ March 6: \$8.3b spending bill signed by President (H.R. 6074)
- ▶ March 12: Fed initiates quantitative easing, committing to purchasing \$1.5t in short-term Treasury debt from banks
- ▶ March 13: Emergency disaster declaration signed by President, freeing up \$40b in additional funding
- ▶ March 14: House passes Families First Coronavirus Response Act (H.R. 6201).
- ▶ March 15: Fed drops interest rates to zero and buys \$700b in government bonds
- ▶ March 18: Treasury releases priorities for a third economic relief and stimulus package
- ▶ March 18: Senate passes Families First Coronavirus Response Act (H.R. 6201) and President Trump signed it into law the same day
- ▶ March 19: Senate Republicans introduce Coronavirus Aid, Relief, and Economic Security (CARES) Act (S. 3548), with updated text released March 22
- ▶ March 23: Fed announces unlimited bond purchases

State and local level responses

- ▶ A non-exhaustive list of state-level measures may be found in this [March 19 Tax Alert](#) and this [March 23 Tax Alert](#)

Personal Tax

- ▶ March 18: Individual taxpayers can defer tax payments of up to \$1m that would otherwise be due April 15 for 90 days interest and penalty free (IRS Notice 2020-17). The payment due date is now July 15, the postponed payment amount is the same for single individuals and those married filing jointly.
 - ▶ March 20: Treasury Secretary Mnuchin announced that the filing deadline would be extended to July 15
- ▶ March 24: A compromise bi-partisan bill is expected to be released today, and will reflect provisions from the Republican and the Democrat proposals. Key components under consideration include the following individual provisions:
 - ▶ Individual recovery rebates for individuals, subject to phase out above certain income thresholds
 - ▶ Waiver of some retirement withdrawal penalties
 - ▶ Expansion of deduction for charitable contributions

VAT, GST and Trade

Business Tax

- ▶ March 18: Corporate taxpayers with calendar year ends can defer payments of up to \$10m that would otherwise be due April 15 for 90 days interest and penalty-free (IRS Notice 2020-17). The payment due date is now July 15.
 - ▶ March 20: Treasury Secretary Mnuchin announced that the filing deadline will be extended to July 15
- ▶ Under H.R. 6201, employers with fewer than 500 employees are entitled to a 100% refundable payroll tax credit on wages required to be paid due to paid family/sick leave related to Covid-19 and additional health benefit contributions.
- ▶ March 24: A compromise bi-partisan bill is expected to be released today, and will reflect provisions from the Republican and the Democrat proposals. Key components under consideration include the following business provisions:
 - ▶ Defer 50% of employer payroll tax payments
 - ▶ Temporarily increase limitation on business interest deduction
 - ▶ Temporarily allow net operating loss (NOL) carryback
 - ▶ Temporarily allow NOLs to fully offset taxable income
 - ▶ Modify loss limits for pass-throughs (to allow for the same NOL carryback benefit as corporations)
 - ▶ Accelerate corporate AMT tax credit refunds

Links and resources

EY Materials

[What to Expect in Washington | Coronavirus Response](#) (24 March)

[Tax Alert | Federal Reserve Announces Wave of New Initiatives to Boost Economy, Help Markets](#) (23 March)

[Tax Alert | State and Local Tax Agency Responses to the Covid-19 Pandemic Continue](#) (23 March)

[Breaking Tax News | Income tax return filing deadline extended to July 15](#) (20 March)

[Tax Alert | Tracking State and Local Taxing Authority Responses to the COVID-19 Pandemic](#) (19 March)

[Tax Alert | Senate Republicans release coronavirus bill #3](#) (19 March)

[Breaking Tax News | Senate approves second coronavirus bill, sends to president](#) (18 March)

[Tax Alert | Families First Coronavirus Response Act gives tax relief to employers and employees impacted by Covid-19](#) (18 March)

Government materials

[Coronavirus Preparedness and Response Supplemental Appropriations Act \(H.R. 6074\)](#)

[Families First Coronavirus Response Act \(H.R. 6201\)](#)

[IRS Notice 2020-17](#)

[Coronavirus Aid, Relief, and Economic Security \(CARES\) Act \(S. 3548\)](#)

[IRS Notice 2020-18](#)

Overview

- ▶ Declaration of National State of Alert and Emergency.
- ▶ The Executive Branch suspend the following activities for 30 days:
 - ▶ -School and university activities.
 - ▶ -Work activities, except for the water, electricity, food and medicine sectors.

Personal Tax

- ▶ Tax Administration (SENIAT) continues to operate, since as of this date, no suspension or extension of compliance with tax obligations has been published.
- ▶ However, according to the Master Tax Code, these are understood as non-working days for the computation of tax obligations, since the activity in banking agencies is suspended by quarantine, so the payment of tax obligations cannot be carried out, except in the case of those taxpayers who have bank accounts in public banking.

VAT, GST and Trade

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Links and resources

Description	Personal tax measures	VAT/GST and Trade measures	Business measures	EY/Government materials
		<p>Vietnam is proposing to cut VAT for restaurants, hotels, transport and tourism companies.</p>		

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