



Policy measures taken against the spread and impact of the coronavirus – 20 August 2020

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


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

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

Regular updates of this table will be available here:

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

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

Member State	Type of measure <i>(very briefly describe the measures taken and their estimated budgetary impact)</i>
BE 	<ul style="list-style-type: none">• <u>Expenditure measures</u><ul style="list-style-type: none">- Increased flexibility is applied in the execution of public contracts if difficulties are linked to COVID-19. No sanctions or fines will be imposed for not respecting the agreed deadline.- Federal provision to cover additional costs (healthcare, repatriation of Belgian citizens, etc.) has been adopted (EUR 2 billion).• <u>Tax measures (up to 30/06/2020)</u><ul style="list-style-type: none">- Tax deferrals have been made easier in case of financial difficulties linked to Coronavirus both for companies and the self-employed (applicable to social contributions, payroll taxes, VAT, personal and corporate income taxes). They are assumed not to have a deficit-increasing impact in 2020.

- Self-employed can also apply for an exemption of social security contributions. Social rights stemming from the activity would not be attributed for the period. Proof of social coverage under other pillars is therefore mandatory. The current estimate of the budgetary cost is relatively small.
- Several regional taxes have also been postponed (various taxes in Wallonia; Flemish car tax, immovable property tax, inheritance and portability of registration rights; traffic taxes for individuals and companies in Brussels capital region). An exemption of the City Tax in the Brussels Capital Region has been introduced.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - Federal: Temporary unemployment due to COVID-19 outbreak can be considered as temporary unemployment due to *force majeure* up to 30/06/2020. Temporary unemployment scheme for economic reasons can also be used by enterprises that experience difficulties related to the spreading of the virus. The procedures have been largely simplified. Up to 30/06/2020, the temporary unemployment benefits (for *force majeure* or economic reasons) have been increased from 65% to 70% of the capped average earnings. Ceiling remains EUR 2.754,76 per month. An additional top-up of EUR 150 gross per month has been added. Lump sum of EUR 1.450 per month made available before the application is processed.
 - Federal: The activation allowance for young unemployed is extended for three months.
 - Federal: The unemployment benefit allowance due on 1 April is frozen until 30 June. For unemployment benefit rights due between April and June, the phases of degressivity are also extended.
 - Federal: Replacement income (so-called *droit passerelle*) is eased in case of activity discontinuity due to the COVID-10 outbreak for self-employed individuals, partial self-employed, retired self-employed, and self-employed already benefiting from another replacement income. An interruption of 7 days is enough to claim the full monthly benefit amounting to EUR 1.291 (without family burden) EUR 1.614 (with family burden). The current rules apply until end of May.
 - Flanders: Allowance for companies and self-employed forced to close due to security measures (so-called *Hinderpremie*) is paid as a one-off payment of EUR 4.000 in case of a complete closure and of EUR 2000 if the closure is partial. In both cases, a daily payment of EUR 160 is added after 21 days of closure. The amounts are exempt from corporate income tax.
 - Flanders: Compensation premium of EUR 3.000 for companies and self-employed not forced to close their activity due to COVID-19 but with a turnover reduction of more than 60% between 15 March and 30 April compared to the same period last year is paid. Additional conditions for self-employed. The amount is exempt from personal and corporate income tax.
 - Flanders: All temporary unemployed in Flanders will automatically receive EUR 203 to support their water and energy costs for a month.
 - Flanders: Extension of the existing support scheme for part time work to companies in difficulties due to COVID-19 outbreak.
 - Flanders: Youth and social tourism industry are subsidised further. Subsidised sectors (e.g. culture, sports, youth) and other specific sectors (e.g. horticulture, tourism, mobility) will also be able to recover losses through the emergency fund of EUR 200 million. A higher wage premium of 4% to employees in sheltered workshops. In local services sectors, a one-off protection premium of

- EUR 50 or EUR 100 per employee is paid.
- Flanders: Childcare and education sectors are compensated for income losses. In particular, creches are compensated with EUR 27 per a non-attending child, per day. Outside school childcare and family support are supported. Cancelled individual professional training are also compensated.
- Flanders: Support to care sector (residential and day care, home help, handicapped care sector, vulnerable young persons and children) is provided. Income losses are compensated. In the case of residential care, temporary hiring of additional nurses is supported. Financial support to projects and organisations taking care of vulnerable youth is provided.
- Flanders: The subsidy to service voucher companies who remain active increases. The services vouchers expiring between March and June are extended to July.
- Flanders: Small support measures for the private and social rental market. Flanders: Additional health-related spending concern procurement of extra masks, other care material, contact tracers and a communication campaign on COVID-19.
- Wallonia: A one-off allowance for small companies from a number of sectors (restaurants, hotels, travel, events, retail stores, culture) forced to completely or partially close due to security measures is paid. The premium amounts to EUR 5000 in case of a complete closure and to EUR 2500 if the closure is partial. A new lump sum allowance of EUR 2500 is introduced for self-employed and companies with substantially reduced activity in March and April. The measure also concerns self-employed benefiting from full bridging right in March or April.
- Wallonia: Enterprises in the care sector with decreasing revenues (e.g. family help, creches, mental health services, service voucher, adapted work enterprises) can benefit from a one-off premium of EUR 5000 covering a period of three months.
- Wallonia: Households can benefit from gas- and electricity bill supports (EUR 75 and 100 per household, respectively). For temporary unemployed a premium of EUR 40 per person for water expenditure is paid. Limitation of water supply during April and May is prohibited. Funding for social water services is increased. Additional facilities for self-employed and companies to pay water bills are introduced.
- Wallonia: Additional spending on health-related concern purchase of masks, contact tracers, medical equipment and support for hospitals, rest homes, homeless and vulnerable facilities.
- Wallonia: Grants to local social services are increased. Support to social housing sectors is also provided by deferring loans due by social housing companies without interests for the period of deferral.
- Wallonia: Up to 80% of costs of industrial or experimental research projects related to Covid-19 are reimbursed.
- Wallonia: A provision to relaunch the economy while supporting the transition towards a more circular and local oriented economy has been announced. It is meant to finance first realisation of the Transition Plan.
- Wallonia: Financial support to local authorities is provided, notably for purchases of masks.
- Wallonia: Funds for a possible calling in of loan guarantees are reserved.
- Brussels Capital Region: A one-off of EUR 4000 allowance is granted for companies forced to close in selected sectors (restaurants, bars, hotels, travel agencies, retail stores, leisure and sports activities).

- Brussels Capital Region: A one-off premium of EUR 2000 for small enterprises (below the threshold of 5 full-time equivalent workers) and self-employed suffering from substantial reductions in turnover due to Coronavirus.
 - Brussels Capital Region: Fund of EUR 29 million for support to care sector (rest homes, disability sectors) was created.
 - Brussels Capital Region: Additional support to care sector and service voucher enterprises is provided. Top-up of EUR 2.5 per hour of temporary unemployment allowance, one-off premium of EUR 4000 to service voucher companies and an increased subsidy for service voucher companies to ensure security to domestic workers.
 - Brussels Capital Region: Low-income tenants renting on the private housing markets and hit by income loss are eligible for a premium of EUR 215.
 - Brussels Capital Region: Research projects related to COVID-19 are eligible for a subsidy.
 - French Community: Support is provided to sectors hit by the containment measures (e.g. culture, social, education, youth, sports) amounting to EUR 80 million.
 - German community: Support is provided to sectors hit by the containment measures (e.g. culture, social, education, youth, sports) amounting to EUR 10 million.
 - Joint Community Commission: Various support measures are planned, of which purchase of contact tracers in Brussel.
- Other
 - The federal government, the National Bank and the major banks convened EUR 50 billion of loan guarantee for companies, self-employed and households in financial difficulties.
 - Free repayment extension until 30.09.2020 for existing mortgages and loans to financially viable businesses and self-employed, if proof of liquidity difficulties due to crisis.
 - Flanders: guarantees for bridge loans and/or loans amounting to EUR 1.6 billion through Flemish promotional bank PMV.
 - Flanders: deferral of payment of loans to Flemish social housing companies without interest for the period of deferral.
 - Wallonia: guarantees for bridge loans and/or loans amounting to EUR 350 million. All interests paid on loans granted by public entities are deferred by three months (with SRIW, GROUPE SOGEPa, SOWALFIN, invests).
 - Brussels capital region: guarantees for bridge loans and/or loans amounting to EUR 20 million. Possibility of reduced interest rate loans from Finance&Invest Brussel.

BG



- Expenditure measures
 - Additional expenditure in the amount up to BGN 17.6 million (EUR 7.3 million) was approved under the budget of the Ministry of Health for 2020 to ensure preparedness for preventive and anti-epidemic actions as well as an effective response to the COVID-19 epidemic situation.
 - The government increased from 15% to 30% the available limit from the reserve fund for dealing with disasters (totalling BGN 80 million or EUR 40 million). The limit could be subject to future change.
 - The government will support companies with proven impact from the epidemic by covering 60% of the employees' wages and social security contributions for

up to three months. BGN 1 billion (EUR 500 million) were allocated for this measure.

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- Additional expenditure totaling BGN 161 million (EUR 80 million) was approved for police and firefighting and BGN 168 million (EUR 84 million) for military personnel in order to assist the implementation of the restrictions inland and on the borders of the country.
- Extending payments to handicapped whose status has to be confirmed during the state of emergency, by the end of it – BGN 2 million (EUR 1 million) per month.
- The capital of the state-owned Bulgarian Development Bank is increased by up to BGN 700 million (EUR 350 million), of which BGN 500 million (EUR 250 million) will be used to issue portfolio guarantees to commercial banks to enable them to provide more flexible business loans for a specified period under certain conditions and individual case-by-case assessment. BGN 200 million (EUR 100 million) will be used to guarantee interest-free consumer loans up to BGN 1500 (EUR 750).
- There was an amendment to the State Budget Law for 2020 in order to address the COVID-19 response and the economic deterioration. The newly budget (cash) deficit is estimated to be about BGN 3.5 billion (3% of GDP). The amendment of the budget envisages an increase of the limit for new debt issuance from BGN 2.2 billion to 10 billion.
- Measures to support national tourism such as a subsidy of EUR 35 per plane seat to tour operators which use Bulgarian air carriers for charter flights to Bulgaria for tourism purposes; reduction of the prices of beach accessories by at least 50% compared to last summer, against reduced or no concession fees; vouchers for domestic tourism to medical staff and police officials at the frontline; opportunity for tour operators to recover prepaid holiday amounts within 12 months, rather than as is it is now – by 13 June.
- Tax measures
 - The deadline for annual financial statements will be postponed from end-March to end-June (estimated BGN 400 million/EUR 200 million impact within the year).
 - The deadline for annual tax declarations and tax payments could also be postponed from end-April to end-June.
 - VAT for restaurants and entertainment establishments in the tourism sector will be reduced to 9% as of this summer until the end of 2021.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - Kindergartens, schools and universities have been closed during the state of emergency. Schools will remain closed until the end of the school year.
 - Employers were recommended to prepare action plans for extraordinary circumstances in accordance with the guidelines issued by the National Operative Unit.
 - The government banned the export of protective medical gear until the necessary quantities are provided.
 - Employers may, without employees' consent, introduce work from home or send employees in paid annual leave for half of the entitled period, which in most cases means 10 days.
 - A financial package from the EU structural funds totalling BGN 870 million (EUR 435 million) will finance the socio-economic measures, including additional

- remunerations for medical and non-medical staff and financial support to SMEs.
 - During the state of emergency, salaries of members of parliament, ministers, and members of their political cabinets will be transferred to support funding of the healthcare system.
 - Subsidies to political parties have been frozen during the state of emergency (BGN 3.9 million/ EUR 2 million).
 - The Bulgarian National Bank announced a package of measures of BGN 9.3 billion (EUR 4.76billion), which aim at maintaining the resilience of the banking system and enhancing its flexibility to reduce the negative effects of the constraints on citizens and businesses. They include: i) Capitalisation of the full volume of profit in the banking system at the amount of BGN 1.6 billion (EUR 0.82 billion). ii) Cancellation of the increase of the countercyclical capital buffer planned for 2020 and 2021 with a total effect of BGN 0.7 billion (EUR 0.36 billion). iii) Increasing the liquidity of the banking system by BGN 7 billion (EUR 3.58 billion) by reducing foreign exposures to commercial banks.
 - The Bulgarian National Bank has imposed a temporary moratorium on bank loans repayment, following the EBA Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis (EBA/GL/2020/02).
 - The state Fund Manager for Financial Instruments in Bulgaria announced a new package of measures to support various business and public groups through financial instruments. The Fund will provide bank guarantees in of BGN 170 million (EUR 87 million), which should serve to secure a loan portfolio of up to BGN 850million. Loans under the scheme will have a term of up to 10 years and the possibility of interest-free loans as well as quick and easy access through the banks is being discussed. Other measures include increasing the scope and providing easier access to already existing financial instruments.
- Other
 - On 13 March the Parliament announced state of emergency. The state of emergency lasted until 13 May, but special legal arrangements giving temporary authority to the government to implement protective measures in case of need are still in place until 30 June
 - Restrictions to public life were imposed during the state of emergency, having impact on the following sectors:
 - Retailers in shopping malls, excluding food, beverage and cigarette dealers
 - Different types of passenger transport
 - Hotels and similar accommodation
 - Tourist and other short-term accommodation
 - Fast food restaurants and establishments
 - Drinking establishments
 - Movies and theatres
 - Travel agency and operator activity; other travel and booking activities
 - Artistic and creative activity
 - Other cultural activities
 - Sports and other recreational activities
 - Activities to maintain good physical condition.
 - As of 4 May, the ban on open air sports, practiced individually, has been lifted. As of 6 May open air cafes and restaurants, as well as hotels (with the exception of SPA centres) are reopened subject to social distancing and hygienic

- requirements. As of 3 June indoor cafes and restaurants are allowed to operate.
- As of 6 May free movement between cities is allowed. The access to natural parks is also re-established.
- As of 11 May cinemas, theatres, art galleries and museums are allowed to operate at 30% of their full capacity. Many places postpone opening.
- As of 18 May shopping malls and fitness centres are open again under hygienic and social distancing rules.
- A ban on open-air gatherings is imposed.
- Foreigners from third countries and nine EU countries, with few exceptions, were banned from entering Bulgaria as of 6 April. On 14 May entrance of foreigners from all other countries in Bulgaria was prohibited. On 22 May the ban on entering Bulgaria was lifted for EU citizens. A 14-day quarantine is required for foreigners coming from some EU countries (UK, SE, IE, BE, PT, ES, MT, IT).
- During the state of emergency public procurement procedures were required for the purchase of medical supplies and personal protective equipment, medical and laboratory equipment, as well as for the incineration of medical waste
- During the state of emergency, no restrictions were imposed on bank accounts of individuals and medical establishments, on salaries and pensions, on medical equipment, as well as on the inventory of movable property and real estate owned by individuals.
- The consequences of late payment of obligations to private entities, including interest and penalties for late payment, as well as non-monetary consequences, such as early demand for payment, contract termination and seizure of property, were temporarily abolished during the state of emergency.
- The deadline for payment of electricity bills have been extended from 10 to 20 days and then to 30 days, which can be changed by order of the Minister of Energy.
- The requirement for children to go to school in order to receive social assistance is abolished, as schools are currently closed and training is online.
- Unemployed are allowed to work in agriculture without losing their unemployment benefits.
- Government continues the implementation of the key public infrastructural projects.
- Special measures have been taken to support local producers of food while introducing targeted promotion for them in the big chain supermarkets.

CZ



- Expenditure measures
 - According to the Convergence Programme, authorities mobilised around 120 billion CZK (2.2% of GDP) on COVID-related expenditure and almost 100 billion CZK (1.8% of GDP) on COVID-related tax deferrals
 - The Parliament approved on 26 March a revision of the state budget, increasing the deficit from 40 billion CZK to 200 billion CZK (3.6% of GDP). On 20 April, the government further revised down the deficit to 300 billion CZK (5.5% of GDP), pending legislative approval.
 - The Parliament adopted an amendment of the law on fiscal responsibility, which allows the Ministry of Finance to propose a structural budget deficit for 2021 of up to 4% of GDP from the current 1%.
 - Around 1 billion CZK was paid per week for supplies of protective material in

- March and April.
- On 30 March the government presented the “Antivirus” programme - a wage compensation scheme, under which the state contributes to the wage costs of employers facing liquidity problems due to the pandemic. On 23 March, the government significantly expanded the programme. Wage compensations will be provided for the period 12 March-31 May as follows:
 - o Option A (for those in quarantine and of those who work for businesses ordered to close): The state will pay 80% of the super-gross wage with a cap of 39,000 CZK.
 - o Option B (for companies that closed due to sales, supply or staffing problems): The state will pay 60% of the super-gross wage, up to 29,000 CZK.
 - The care payment ('ošetřovné') for parents of kids from 6 to 13 years of 424 CZK per day will be paid during the whole state of emergency. The subsidy was increased in late April from 60% of the base pay to 80% and will be paid between 1 April and the start of school holidays.
 - On 7 April, the government adopted a one-off support to all self-employed persons of 25,000 CZK, subject to given conditions. The government decided on 20 April to extend the support, providing the self-employed with a daily 500 CZK daily subsidy to the self-employed beyond April 30, until all restrictions are lifted (currently scheduled for 8 June), or until August 31 at the latest.
 - The self-employed persons were also exempt from social and health insurance payments from March until August 2020 (2.5 billion CZK per month).
 - Health insurance contributions paid on behalf of the citizens insured by the state were increased by 500 CZK as of 1 June and by additional 200 CZK as of 1 January 2021.
 - The lower House approved a subsidy for micro-companies (“limited liability”, s.r.o.) for the period of 12 March 12 – 8 June.
 - A support of 3.3 billion CZK was allocated to farmers, foresters and food producers in order to ensure self-sufficiency in food supply.
 - Authorities plan a voucher program called “Vacation in Czechia” to support domestic tourism in the summer season. Vouchers for lodging and food could be up to 10,000 CZK. The state, the employer and the employee would each pay a part of it.
 - The government boosted the State Transport Infrastructure Fund by 6.5 billion CZK for maintenance and renovation of road and railway infrastructure to foster fading construction activity.
 - Authorities agreed to cover 50% of the rent of businesses which had to close due to government measures, provided the landlord agrees to a 30% reduction in the rent. The tenant would pay the other 20%. The scheme should apply to rents for April-June and is expected to help 150,000-200,000 businesses
- Tax measures
 - Liberation Package I – authorities will not impose fines for late submission of personal and corporate income tax return, for late payment of a tax claim and for late submission of control tax reports.
 - Liberation Package II – there will be a waiver on the advance on personal and corporate income tax in June; authorities will not impose fines for late submission of real estate property tax return; suspension of the obligation to electronically record sales for entities in all phases of EET until the end of 2020
 - Authorities allowed a two-year loss carry-back, with a direct impact on the direct tax receipts in 2021.
 - The Chamber of Deputies agreed on 13 May to allow for a deferral of the social

- security tax.
- The government abolished the 4% real estate acquisition tax to boost the housing market.
- The government deferred toll payments and road tax payment in order to support road transport companies.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - The total amount of new state guarantees amount to around 300 billion CZK as of May - 150 billion for large enterprises and 150 billion for SMEs and mid-caps. By mid-May, 8 billion CZK were disbursed.
 - There is a targeted support to agriculture, forest and food industry such as postponement of commercial loan payments and guaranteed support for business operation. EU funds will be used to that effect (3.3 billion CZK released for the 2020 Rural Development Program).
 - The Czech National Bank lowered the interest rate three times from 16 March and has now reached 0.25%. It also lowered the Lombard rate and the discount rate.
 - The Law of the Czech National Bank was amended, allowing it to expand the range of monetary policy instruments as well as the range of entities with which it can enter into open market transactions, allowing the CNB to buy government bonds, corporate bonds and also high-risk debt until end-2021. The central bank also relaxed the rules for getting a mortgage to soften the impact on the economy.
 - The Prague City Council envisages to forgive rent in city-owned properties and provide financial support of up to 45,000 CZK.
 - Cross-border workers were heavily restricted in March and April. Commuters to Germany (~37,000) and Austria (~12,000) had to enter quarantine every time they returned to Czechia.
 - As of April, small businesses can defer their rent payments until the end of June by up to two years if they had to close because of government restrictions.
 - The Parliament approved an amendment of the Insolvency Act which prevents creditors to file a bankruptcy against a company by the end of August. Besides, the company's management would not be obliged until February 2021 to file for insolvency if it could not meet its obligations.
 - The government halted all personal debt seizures that have not resulted in a collection for three years. People under seizure orders will be able to ask for a deferral of payments.
 - The Parliament approved a rent deferral for businesses until 30 June and for individuals until 31 July. The deferred payments would be due by the end of 2020.
 - The Parliament approved a cap on the interest on consumer loans past due for more than 90 days and a limit cap on the late-payment fee for self-employment loans (0.1% per day)
 - The Parliament approved a law allowing deferral of loan and mortgage repayments for three or six months for individuals and companies who declare their payment ability was affected by the coronavirus crisis. There is also a deferral of interest payments for consumer loans.
 - Authorities allowed travel agencies to issue vouchers to customers for trips between 20 February and 31 August that were cancelled because of COVID-19. If a voucher is not used for another trip, a refund to the customer will be required.

The government put in place on 14 April a strategy for phasing-out some of the

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

DK



- Expenditure measures
 - Temporary compensation scheme for the self-employed and freelancers
 - Temporary compensation for fixed costs of businesses
 - Restrictions on access to maximum social benefits temporarily lifted
 - Unemployment and sickness benefits
 - Temporary wage compensation schemes
 - Sickness benefit reimbursement to employers
 - Pool for initiatives for employees in case of large-scale redundancies and deregulation regarding distribution of work
 - Measures underpinning exports and investments, including guarantees
 - National platform for crowdfunding
 - Innovation Fund “Innobooster” temporarily increased
 - Danish Business Authority strengthened
 - Compensation scheme for the cancellation of major events following COVID-19 – (initially for events over 1.000 participants, lowered to 50 persons)
 - The Danish government has established a “Government and Business corona unit” in collaborations with relevant business organizations and labour market organisations to address sectoral economic distress
 - More flexible work-sharing arrangement (*arbejdsfordelingsordningen*)
 - Increased funding for early notice scheme (*varslingspulje*)
 - Support for the travel industry
 - Temporary compensation scheme for the media
 - Economic support to “efterskoler” (independent residential schools), “frie fagskoler” (independent vocational schools) and other boarding schools
 - Suspension of compensation paid by the employer to newly laid off employees
 - Economic support for high-risk employees
 - Temporary compensation scheme for artists with combined A- and B-income
 - Temporary compensation scheme for folk schools, night schools etc.
 - Emergency funds for cultural institutions

- Financial/liquidity measures
 - Guarantees for SMEs and large enterprises
 - Match financing from the Danish Growth Fund
 - Release of the countercyclical capital buffer to support the financial system
 - Danish Travel Guarantee Fund

- EKF (the Danish export credit agency) (liquidity guarantee)
 - Guarantees to SAS from the Danish state
 - Student loans
 - Loans and equity to start-ups and high growth enterprises
 - Reinsurance scheme targeted companies using trade credit insurance
- Tax measures
 - Extension of companies' payment deadlines of VAT
 - Extension of companies' payment deadlines of employers' labor market contributions [*arbejdsmarkedsbidrag*] and income tax [*A-skat*]
 - Extension of payment deadlines for B-taxes (provisional tax paid by self-employed businessmen)
 - Earlier payment of public procurement
 - Earlier repayment of tax credits
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - Suspension of budgetary restrictions on investment, etc, for regions and municipalities.
 - Higher education closed
 - Public primary schools and day care closed. Partly reopened for smaller children
 - Hypermarkets, shopping centres, etc closed
 - Public employees who do not perform critical functions (police, health care ect.) are required to work from home by March 13, 2020 provisionally for two weeks. Private employers are encouraged to require employees to work from their private home, if possible, make use of remaining vacation, or adapt work place for continued production
 - All indoor cultural institutions, libraries, leisure facilities, etc. closes on March 13, 2020 provisionally for two weeks
 - Limited use of public transport (e.g. requirements on seat reservation, avoid travel during rush hour)
 - Prohibition of public gatherings of more than ten persons
 - Closure of restaurants, bars, etc
 - Border closure for all non-essential travel. Transport of goods not affected.
 - Stricter restrictions when visiting hospitals and nursing homes etc.

DE



- Expenditure measures
 - Additional health sector expenditure totalling EUR 18.9 billion: Financing of emergency measures of the German public health institute ("Robert-Koch-Institut") and the World Health Organization; financing of emergency measures to purchase protective equipment and to raise public awareness;; expenditures for increasing hospital capacity. Further coronavirus R&D expenditures amounting to EUR 1.16 billion (CEPI, vaccine development, product partnerships; university hospitals).
 - Extension of the federal guarantees for loans provided by our promotional bank "KfW" to the corporate sector. The volume of Federal guarantees will not be limited. Several aspects of the programmes (% of loan covered by the Federal guarantee, use of funds, loan duration, eligibility criteria etc.) are broadened significantly and the KfW instant loan (KfW Schnellkredit) was added. Addition of a targeted program for start-ups and small

- businesses.
- The federal government will guarantee up to EUR 30 billion in compensation payments of credit insurers.
 - Expansion of activities of guarantee banks and of the large-scale-guarantee scheme; granting of guarantees for the Landwirtschaftliche Rentenbank (to support the agricultural sector).
 - Establishment of an Economic Stabilization Fund targeting the real economy - i.e. corporations excluding banks. The fund is administered by the German Finance Agency (Finanzagentur). To qualify for investments or guarantees, companies have to meet 2 of 3 criteria (revenues exceeding EUR 50 Mio., balance sheet volume exceeding EUR 46 Mio. or employees exceeding 249) or be declared as significant for the economy or security or if they are active in specified sectors. The Fund is comprised of three concrete pillars. The first pillar with a volume of up to EUR 100 billion consists of a recapitalization instrument, which has equity instruments (direct equity, convertibles, hybrids, silent participations) at its disposal to invest if and when the need arises to stabilize a corporation. The second pillar provides guarantees that complement the KfW programs. It utilizes an authorization to the Economic Stabilization Fund to extend guarantees of up to EUR 400 billion covering debt securities of eligible corporations, with a flexible definition of debt securities. Maximum duration of the guarantees is 5 years. A third pillar is an authorization to provide up to EUR100 billion of additional financing to KfW, if needed for the funding of the loan programs of KfW outlined above.
 - Establishment of a program of direct grants to the approximately 3 million small business owners. The programme has a volume of EUR 50 billion. Eligibility is defined as having up to 10 employees, and there will be one-off payments ranging from EUR 9.000 to EUR 15.000 depending on the size of the respective businesses, in particular to cover recurring expenses such as rents. Applicants will have to submit evidence demonstrating that their economic survival is at risk, and that they were not in financial trouble before the pandemic broke out. The Länder are in charge of implementing the program, many of them have set up their own assistance programmes (see below), which can be combined with federal assistance.
 - The measures taken will have a significant impact on the budget. The German parliament has authorized EUR 122.5 billion of additional spending funded by EUR 156 billion EUR of credit authorizations. The balance between these numbers of EUR 33.5 billion is due to the impact of tax measures taken to improve liquidity in the German corporate sector on the one hand and lower expected tax revenues as a result of the economic slowdown on the other hand. These numbers imply that we will exceed the regular maximum amount of new debt under our constitutional debt brake. However, the parliament has recognized an extraordinary crisis situation, which activates a clause which is foreseen under Article 115 of our constitution.
- Tax measures
 - Facilitating tax deferrals and reduction of tax prepayments as well as suspension of enforcement measures to improve the liquidity of companies that are directly hit by the effects of the coronavirus epidemic
 - General Directorate of Customs was instructed to make similar concessions vis-à-vis the payers of taxes falling into the responsibility of the customs

- authority (e.g., energy tax, air transport tax)
- Employers can pay their employees subsidies and support up to an amount of EUR 1500 in 2020 tax-free or as wages in kind. This is subject to the condition that allowances and benefits are paid in addition to the wages owed in any case.
 - Employers can receive an extension of up to two months for the income tax registration.
 - Taxpayers still unassessed for 2019 can apply for a reduction of advance payments (based on a lump-sum tax loss carryback) and can receive a tax refund.
 - Due to both, the impact of tax measures taken to improve liquidity in the German corporate sector and lower expected tax revenues resulting from the economic slowdown, a significant reduction in tax revenues is expected. Based on provisional interim figures, this reduction of tax revenues is estimated to amount to EUR 33.5 billion at the federal level and EUR 50.7 billion at state and local level (taken together).
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - More flexible short-time working scheme (“Kurzarbeitergeld”) (lowering the requirements for and increasing the generosity of the short-time working scheme) to avoid and reduce lay-offs. The short time working scheme now also covers temporary workers and allows reimbursements of social security contributions by the Federal Labour Office (“Bundesagentur für Arbeit”). These enhancements entered into force on 1 March 2020 with a retroactive effect and have an estimated effect of EUR 10.1 billion on the budget of the Federal Labour Office.
 - An additional social protection package includes increases of the short-time allowances and a temporary extension of the eligibility period for receiving unemployment benefits.
 - Access to basic income support is temporarily eased and generosity is partly increased. The benefits will be approved provisionally and paid out very quickly. These measures and the business cycle related increase in basic income support are expected to lead to additional spending amounting to EUR 7.5 billion at the federal and EUR 2.1 billion at the local level.
 - Low-income families receive additional support through increases to child support allowances and easier access to minimum social support schemes
 - The flexibility of parental allowances is increased temporarily, e.g., income substitution benefits will not be included in the calculation of current and future parental allowance; measures are applied retroactively from March 1 2020
 - University students that are not entitled to receive education advancement grants (BAföG) and are in financial distress due to the coronavirus pandemic can receive interest-free loans and non-repayable grants as interim aid.
 - Temporary relief to protect tenants from eviction due to income losses in the current situation
 - Provisions to avoid technical insolvency procedures in temporary liquidity difficulties by extending the relevant deadlines
 - In addition to the measures on the federal level, the “Länder” have taken a wide range of measures, including most prominently liquidity support and immediate assistance programmes. In sum, for the group of 16 “Länder” this will have a budgetary impact of about EUR 30 billion, while the expansion of guarantees provided by the “Länder” amounts to EUR 72.7

billion.

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

EE



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

IE



- Expenditure measures
 - Since 9th March to date, the Government has agreed **a package of measures to the value of c. €15.5 billion** (8% GNI*) to deal with the public health and economic impact of the coronavirus. On 9th March and 24th respectively, the Government announced a suite of income support measures that have cost in excess of €4 billion. Together these packages of measures include:
 - **Supports for people**

- People affected by coronavirus will receive sick pay of EUR 350 per week (up from the weekly payment of EUR 305 originally announced on 9th March) from their first day of illness under a new initiative announced by the Government.
- In addition to the Illness Benefit payment of EUR350 as a result of COVID-19 for those who are medically certified, there is also a COVID-19 Pandemic Unemployment Payment, originally set at a rate of EUR203 p/week for people currently not in work due to the COVID-19 pandemic. On March 24th, this was increased to EUR350 p/w. Also on 2^{4th} March, the Government announced a Temporary COVID-19 Wage Subsidy Scheme. The scheme will provide the payment of income supports to employers in respect of eligible employees on their payroll where the employer's business activities have been negatively impacted by the COVID-19. It is available to employers from all sectors and while employers are encouraged to contribute, there is no obligation on employers to top up the subsidy. Under the scheme, an eligible employer will be supported in the order of 70 per cent of an employee's net income and the maximum weekly payment will be EUR410. The sum the employer receives is based on the employees who were on their payroll on 29 February 2020, the net salary such employees received in January and February 2020, as well as the extent to which the employer remains able to continue to discharge their legal obligation to pay their employees' salaries. Subject to certain limits, the subsidy per employee is up to 85 per cent of an employee's net income in the period and the maximum weekly payment is up to EUR410. o improve the processing of claims, the Government decided to temporarily increase the Qualified Adult rate on certain schemes to EUR147 per week to bring the standard payment for these schemes to EUR350 for a two adult household.
- On 3^{1st} March the Government agreed to extend the Fuel Allowance season by four weeks from Friday 1^{0th} April to Friday 8th May to support current recipients in relation to additional heating costs when many households, particularly vulnerable groups such as older people, are recommended to self-isolate.
- In addition, on 5th June, the Government announced an extension to the Pandemic Unemployment Payment (PUP) from 9th June until 10th August. Further changes also announced the same day, include the introduction from 29th June of graduated payment rates that will link the Pandemic Unemployment level to prior earnings.
- **Supports for Business**
- The Government provided additional Exchequer funding of c €¼ billion to support liquidity measures of approximately €1 billion as part of several announcements during March and April. These measures include the following:
 - A Sustaining Enterprise Fund of up to EUR180 million. This is specifically aimed at firms with 10 or more full-time employees that are impacted by COVID-19 and are vulnerable but viable businesses. The Fund will be operated by Enterprise Ireland and IDA Ireland, providing repayable advances of up to EUR800,000 in accordance with new EU State Aid rules.

- EUR375m in lending under the SBCI COVID -19 Working Capital Loan Scheme. Loans can be between EUR25,000 and EUR1.5m at a maximum interest rate of 4%. Loan terms range from 1 to 3 years
- An additional EUR500m in COVID-19 funding for the Future Growth Loan Scheme to provide longer term loans to COVID-19 impacted businesses. [These are in addition to the EUR150m of funding capacity in the Government's Credit Guarantee Scheme – see below]
- MicroFinance Ireland has increased its potential loan threshold from EUR25,000 to EUR50,000 with terms that include a six months interest free and repayment free moratorium. On 8 April, expansion of Microfinance Ireland funding by EUR13 million to EUR20 million for COVID-19 loans with interest rates dropped from 7.8% to 4.5%.
- The Credit Guarantee Scheme (operated by the SBCI since 2018 assists viable borrowers to access credit from their banks, with the State providing an 80% guarantee €150m per year is available under the Credit Guarantee Scheme. Loans from €10,000 to EUR1 million are available.
- Extension of supports for online trading for business with over 10 employees - EUR2million and free mentoring as well as free online training for all businesses
- The full range of already existing Enterprise Ireland, IDA Ireland, Local Enterprise Office and Údarás na Gaeltachta grant supports will be available to firms affected by COVID-19 to help with strategies to innovate, diversify markets and supply chains and to improve competitiveness, for example:
 - The EUR2,500 Trading Online Voucher Scheme for microenterprises is being expanded - an additional EUR3.3m is being provided to the scheme bringing the total available to EUR5.6m. The scheme is also being made more flexible - allowing businesses to apply for a second voucher of up to EUR2,500 (with match funding requirement reduced to a ratio of 90:10) where they have successfully utilised their first one; and allowing subscriptions to low-cost online retailing platform solutions to quickly establish a retailing presence online.
 - A new EUR2m COVID-19 Retail Online Scheme is being made available through Enterprise Ireland for indigenous retail businesses with over 10 employees.
 - Strategic Consultancy Grant - for SME's to assist the company development of a strategic response plan
- Further Business Supports of over €6bn announced on 2/05/2020, including:
 - €2bn Pandemic Stabilisation and Recovery Fund, which will make capital available to medium and large enterprises.
 - €2bn COVID-19 Credit Guarantee Scheme to support lending to SMEs for terms ranging from 3 months to 6 years, which will be below market interest rates.
 - Up to €2bn in warehousing of tax liabilities for 12 months after recommencement of trading, during which time there will be no debt enforcement action or interest charged. Following this period a payment schedule will be agreed with low interest rates charged.

- €10,000 restart grant for micro and small businesses based on a rates/waiver rebate from 2019.
 - 3-month commercial rates waiver for impacted businesses.
 - a commitment to local authorities to make up the rates shortfall, so that local authorities can continue to provide full services to the public.
- On 11/05/2020, Home Building Finance Ireland launched a series of new construction funding measures, providing new funding of €200m for house builders, including major apartment developments, and widening the range of qualifying house builders.
- **Supports for Business planning**
 - Business Financial Planning Grant from Enterprise Ireland to the value of EUR5,000 to assist companies to develop a Business Sustainment Plan and to engage the services of an approved Financial Consultant
 - A new EUR2,500 LEAN Business Improvement Grant from Enterprise Ireland and IDA Ireland to help companies quickly access expertise to review and optimise operations at a time of crisis and identify the key measures needed to ensure continued viability.
- Other ancillary supports include:
- Act On Initiative - providing access to 2 days consultancy engagement at no extra cost to access Financial Management, strategic sourcing and transport and logistics advice
 - Key Manager Support - to provide partial funding towards the recruiting of a Full or Part time Manager with critical skills for future growth
 - Agile Innovation Fund and Operational Excellence Offer
 - Be Prepared Grant - designed for Enterprise Ireland clients who would benefit from further research and external expertise in examining their exposure to Covid-19 and exploring ways of addressing this.
 - The Business Process Improvement Grant - used to support short to medium term company projects that improve efficiencies and business process improvements. Specific E-marketing support is available through this grant to develop and enhance your company's capability to use the internet as an effective channel for business development.
- **Healthcare**
 - In total, almost EUR2 billion is to be provided to support the health service in scaling-up and maximising its capacity to meet this unprecedented challenge.
 - The initial package announced on 9th March, provided for an additional EUR435million in 2020 for the HSE to scale-up its actions. The package covered the freeing-up of space in hospitals, the centralization of procurement of protective gear and an increase in home testing and remote management of patients. The latter will imply that costs for remote Covid-19 triage consultations with general practitioners (GPs) for all patients (including private ones) will be assumed by the Health Service Executive (HSE) and not by the patients.

- The HSE has allocated EUR26.2 million to expand the Intensive Care Unit (ICU) capacity with 30 new ICU beds, and 27 existing beds upgraded to ICU status.
 - A further package provides for the HSE to scale-up its response actions and maintain service levels at community level, particularly for vulnerable people. Further additional measures underway include expanding capacity in public hospitals, developing primary and community-based responses and procurement of additional essential equipment.
 - Separate to this, the Government has agreed to a Temporary Assistance Payment to private and voluntary nursing homes, to support older and vulnerable residents within a nursing home setting, thus reducing the pressure on acute hospitals.
 - In addition, the HSE has reached an agreement with private hospitals for the use of their facilities on a cost-only model for a period of six months.
- Tax measures
 - Since 13th March, the Revenue Commissioners (Irish tax and customs administration) has outlined some key advice and actions taken to assist businesses experiencing cash flow and trading difficulties arising from the impacts of the virus.
 - Revenue will continue to prioritise the approval and processing of repayments and refunds, primarily VAT repayments and PSWT refunds, to taxpayers.
 - Early payment of 2020 instalments of excess Research and Development (R&D) Tax Credits.
 - Taxpayers (individuals and businesses) should continue to file their tax returns even if payment of the resulting liabilities, in whole or in part, is not possible. Where, due to the virus, key personnel that compute tax returns are unavailable, Revenue strongly advise that the relevant return is submitted on a 'best estimate' basis.
 - The application of a surcharge for late Corporation Tax returns and iXBRL financial statements (where applicable) for accounting periods ending June 2019 onwards (i.e. due by March 23, 2020 onwards) is suspended until further notice.
 - Commercial Rates Payment Break/Reductions (estimated at EUR260 million) - commercial rates are being waived for a three month period beginning on 27 March for businesses that have been forced to close due to public health requirements.
 - *Debt management:*
 - All debt enforcement activity for SMEs is suspended until further notice.
 - The charging of interest on late payments for SMEs is suspended for March/April VAT and April PAYE (Employers) liabilities. This is in addition to the earlier announcement that the charging of interest on late payments is suspended for January/February VAT and both February and March PAYE (Employers) liabilities.
 - Businesses, other than SMEs, who are experiencing difficulties in paying their tax liabilities are encouraged to contact Revenue
 - The 'warehousing' of tax liabilities for a period of twelve months after recommencement of trading during which time there will be no debt enforcement action taken by Revenue (estimated at EUR2 billion).

- *For SMEs*
 - Tax Clearance: current tax clearance status will remain in place for all businesses over the coming months.
 - *For subcontractors*
 - RCT (Relevant Contract Tax): the RCT rate review scheduled to take place in March 2020 was suspended. This process assesses the current compliance position of each subcontractor in the eRCT system and determines their correct RCT deduction rate, i.e. 0%, 20% or 35%. As this process may result in a subcontractor's RCT rate increasing due to changes in their compliance position, the review is suspended.
 - Subcontractors and agents are reminded that RCT rate reviews can be self-managed in ROS. Subcontractors can check if their rate should be lower and can then 'self-review' to get that lower deduction rate.
 - VAT: Following a request from the Minister for Finance, Revenue will allow the application of the zero rate of VAT to the supply to the HSE, hospitals and other health care settings of personal protection and specified medical equipment for use in the treatment of patients with Covid-19.
 - Local Property Tax: For property owners who opted to pay their LPT for 2020 by Annual Debit Instruction or Single Debit Authority payment, the deduction date will change from 21st March 2020 to 21st May 2020.
 - *For importing goods*
 - Customs: critical pharmaceutical products and medicines will be given a customs 'green routing' to facilitate uninterrupted importation and supply.
 - The Revenue Commissioners had implemented an EU Commission decision that allows goods used to combat COVID-19 to be imported, from outside the EU, free of import duties and VAT.
- *Sectorial, regional measures, or measures other than fiscal (e.g. labour)*
 - **Housing:** a moratorium on rent increases for the duration of the crisis and a ban on evictions were introduced as part of the *Emergency Measures in the Public Interest Act 2020*. The measures compliment the three month mortgage breaks that have been afforded to mortgage holders affected by the crisis that also apply to buy-to-let landlords. In addition, on 24th March, the Government announced that the Department of Employment Affairs and Social Protection will use full flexibility in relation to the Rent Supplement Scheme to assist those in the private rented sector.
 - The Commission for Regulation of Utilities has issued a moratorium on disconnections of domestic customers for non-payment to the gas and electricity suppliers.
 - Amendments to planning and development regulations temporarily allow restaurants to operate as takeaways - whereby members of the public can order food for collection for consumption off-premises or have food delivered for consumption off-premises - without being required to obtain change of use planning permission to operate as takeaways.
 - *Other*
 - *Release of the Counter Cyclical Capital Buffer (CCyB) by the Central Bank*

of Ireland (CBol) from 1% to 0% (18/03/2020). This release aims to ensure that banks continue to provide credit to households and businesses. The CBol has further committed not to announce an increase of the CCyB rate before the first quarter of 2021 at the earliest (note, the announcement generally precedes the introduction of the buffer by 12 months). The planned introduction of another capital buffer (the Systemic Risk Buffer) has been put on hold.

- *Three month payment moratoria (19/03/2020)*: Banks will introduce three-month payment moratoria on mortgages, and personal and business loans for some business and personal customers affected by COVID-19. A similar moratoria was granted in respect of local authority mortgages (14/04/2020) (a further three-month extension was announced on 30 April). This was agreed jointly by the Banking & Payments Federation Ireland (BPFI) and five retail banks on the one hand and the Central Bank of Ireland on the other hand. The main credit servicing firms and non-bank mortgage lenders have also agreed to provide similar supports to their customers.
- The payment break will not be recorded as missed payments on borrowers' credit record and recording on the Central Credit Register will be adjusted.
- To support public health policy, the Minister of Finance requested industry to increase the limit on contactless payments to EUR50 per transaction.
- State guarantee for a special form of refund credit note for package holidays booked through Irish registered travel agents and tour operators (8/05/2020).

EL



- Expenditure measures
 - Healthcare: Increased support of the public health system to account for extraordinary expenditures with respect to payroll costs, equipment of Intensive Care Units, pharmaceuticals, medical equipment, cleaning, storage, transport and analysis of samples and to all other areas where extraordinary expenditures will be required. The estimated fiscal cost of increased health expenditures is EUR 233 million, which includes the hiring of approximately 3,000 health sector staff.
 - Introduction of a special leave scheme partially funded (25%) by the Greek state, to facilitate parents of children below 15 years of age working in the private and public sector following the general closure of schools. Estimations suggest that the fiscal cost will be around 20 million.
 - A special allowance of 800 euros will be granted to self-employed, freelancers and sole proprietorships that have been affected by the coronavirus crisis. The amount of 800 euros covers the period between mid-March and end April, while the monthly equivalent amount (533 euros) will be granted for May and June. The total cost is estimated at EUR 510 million and through re-allocation of public investment budget. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
 - A special allowance of 800 euros will be granted to employees of firms affected by the coronavirus crisis, whose labour contracts have been suspended. The amount of 800 euros covers the period between mid-

March and end April, while the monthly equivalent amount (533 euros) will be granted for May until September. The beneficiaries are determined on the basis of NACE codes of the firms in which they are employed. The total cost at EUR 1.108 billion. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.

- A special allowance of 800 euros will be granted to employers (with up to 20 employees) affected by the coronavirus crisis based on specific NACE codes. The amount of 800 euros covers the period between mid-March and end April, while the monthly equivalent amount (533 euros) will be granted for May and June. Total cost is estimated at EUR 42 million and will be financed through a re-allocation of public investment budget. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
- A refundable advance payment will be provided to companies affected by the crisis and whose loans are performing, on the basis of turnover reduction. The advance can be repaid in 40 instalments, following a grace period until end 2021 and at a low interest rate. The cost of the measure is estimated at EUR 2.86 billion and it will be partially financed (EUR 1.0 billion) by the Corona response investment initiative (CRII). Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
- A total of 113,000 public servants working in hospitals, National Emergency Aid Centre, National Organisation of Public Health and Civil Protection will receive an (extraordinary) Easter bonus. The cost of the measure stands at EUR 90 million.
- For private sector employees whose labour contract has been suspended, the fraction of their Easter bonus that corresponds to the period of suspension will be covered by the state budget. The cost depends on the number of private sector employees whose contracts will be suspended, as well as to the exact date from which the suspension will enter into force. The total cost of the partial payment of Easter bonus by the state is estimated at EUR 130 million. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
- Similarly, the State will cover the fraction of Christmas bonus of private sector employees that corresponds to the period of suspension. The total cost of the partial payment of Christmas bonus by the state is estimated at EUR 101 million.
- Economic support in the form of a training voucher of 600 euros was provided to six scientific sectors (economists/accountants, engineers, lawyers, doctors, teachers and researchers). The total cost reached at EUR 103 million. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
- Additional support will be provided to the primary sector of the economy will be supported through a re-allocation of EUR 150 million to the budget of the Ministry of Agriculture.
- Extension of the regular unemployment benefit payment, as well as of the long-term unemployment benefit and the unemployment benefit to freelancers and self-employed workers, for two months. The cost is estimated at EUR 309 million. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.

- Reduction of clawback to hospitals and compensation. Estimated cost at EUR 19 million. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
- Compensation of passenger ships. Estimated cost at EUR 30 million.
- Increased expenditures related to the Covid-19 crisis in Ministries other than the Ministry of Health. Estimated cost at EUR 184 million.
- Unemployment benefit of 400 euros to 155,000 beneficiaries that became long-term unemployed since April 2019. Estimated cost at EUR 65 million.
- Compensation will be provided by the Ministry of Culture for projects in sectors that were affected by the Covid-19 crisis. Estimated cost at EUR 10 million.
- The social security contributions of employees that work in firms affected by the coronavirus crisis and whose labour contracts have been suspended, as well as the contributions of the self-employed that are treated as employees for taxation purposes and that have been affected by the coronavirus crisis will be covered by the State. The beneficiaries are determined on the basis of specific NACE codes. The measure covers the period from mid-March (or from the date of suspension of the labour contract) until end September. The total cost is estimated at EUR 541 million. Commission's forecast includes different figures as it reflects information or data available until the cut-off date of 23 April.
- Interest subsidy on SME loans: the measure will cover the interest payments of the affected businesses for the period of 3 months (April, May, June), on the conditions that their loans are performing and that beneficiary firms maintain their job positions. The total cost is estimated at EUR 179 million which will be financed by the Corona response investment Initiative.
- A new social tourism programme is implemented by the Ministry of Tourism. The cost is estimated at EUR 100 million and will be financed through a re-allocation of public investment budget.
- Extension of the existing social tourism programme implemented by the Employment Fund (OAED). The additional fiscal cost is estimated at EUR 17 million for 2020 and 10 million for 2021.
- Increased advertising expenditures of the Greek National Tourism Organization. The cost is estimated at EUR 23 million.
- Subsidy of primary residence mortgage payments for borrowers that have been affected by the outbreak. The cost is estimated at EUR 210 million in 2020 and EUR 308 million in 2021.
- Introduction of a short-term work scheme. The scheme's fiscal cost is estimated at EUR 435 million.
- Provision of an unemployment benefit to seasonal workers. The cost of the measure is estimated at EUR 41 million.
- Provision of a special allowance for seasonal workers in the tourism sector. The fiscal cost is estimated at EUR 197 million.
- Compensation of passenger seats for airlines, for April and May. The cost is estimated at EUR 6 million.
- Compensation to amateur sport clubs with an estimated cost of EUR 12 million.
- Coverage by the State of the social security contributions of employees in companies whose turnover exhibits a marked seasonal pattern. The cost of the measure is estimated at EUR 240 million

- Tax measures
 - Suspension of VAT and other tax obligations' payments that were due between 11 March and 31 May and of other tax obligations that were due between 11 March and 30 June for businesses, self-employed persons and sole proprietorships affected by the coronavirus crisis. The beneficiaries are determined on the basis of specific NACE codes and the deferred amounts will be repaid in 24 instalments starting in January 2021. The deferred revenues are estimated at several hundreds of millions euros..
 - Suspension of SSC payments due by end-March, April and May for businesses, self-employed persons and sole proprietorships affected by the coronavirus crisis. The beneficiaries are determined on the basis of specific NACE codes and the deferred amounts will be repaid in 24 instalments starting in January 2021. The deferred revenues are estimated at several hundreds of millions euros.
 - For social security contributions and other obligations that are under a settlement scheme, a three-month extension is provided for the payment of instalments that were due by end March, April, May and June. The deferred revenues and the fiscal impact for 2020 are estimated at EUR 193 million.
 - A 25% discount on tax and social security contribution obligations (excluding VAT) is granted to self-employed, freelancers, firms affected by the coronavirus crisis, as well as the employees in these firms. The measure applies to all those eligible to deferral in tax debt payments and SSC payments, if they decide instead to pay their obligations in line with the originally scheduled timeline. The budgetary impact is estimated at EUR 102 million.
 - 25% of the VAT paid on time will be offset with future tax obligations. This measure applies to all those eligible to a deferral in tax payments. The budgetary impact is estimated at EUR 154 million.
 - Reduction of the VAT rate from 24% to 6% for sanitary products (masks, gloves etc.). Fiscal cost is estimated to be negligible.
 - Abolishment of Local Governments' levies until June for enterprises whose operation has been suspended by government decree. Estimated cost at EUR 110 million.
 - Suspension of tax payment obligations for property owners that receive reduced rent. Deferred amounts are estimated at EUR 13 million.
 - Tax deductions for owners that receive reduced rent as a result of the crisis. The measure is in force between March-August and the estimated fiscal cost stands at EUR 65 million.
 - Reduction of the VAT rate for transport services, coffee and beverages, tourist packages and cinema tickets for the June-October period. The fiscal cost is estimated at EUR 124 million.
 - Reduction in the advance payment for Corporate Income Tax for companies that have been affected by the outbreak. The size of the measure is estimated at EUR 1,500 million and is broadly fiscally neutral over the 2020-2021 period.
 - Reduction of the Corporate Income Tax advance payment to zero for airline companies. The size of the measure is estimated at EUR 53 million and is fiscally neutral over the 2020-2021 period.

- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - Allow for the first time for workers to be enabled legally to be instructed to work from home
 - Allow flexible working hours through suspending the requirement to pre-declare hours in the labour registry system called Ergani.
 - Provisions allowing for derogations from standard public procurement procedures in order to cover extraordinary needs related to the outbreak of CoViD19.
 - A 40% reduction in commercial rent paid by firms affected by the coronavirus crisis. The reduction is in force for March April and May, while beneficiary firms are determined on the basis of specific NACE codes. The measures entails a small budgetary impact of EUR 4.4 million.
 - A 40% reduction in primary and student residence rent for employees of firms affected by the coronavirus crisis on the basis of specific NACE codes. The rent reduction is in force for March, April and May. -August and is estimated to have a budgetary impact of EUR 40 million in 2021
 - Suspension of payments of principal until September for firms affected by the coronavirus crisis and whose loans are performing. This measure has not been introduced through legislation, but has been decided by Greek banks.
 - Firms are allowed to employ their employees for at least two weeks per month. The measure covers at least 50% of all employees within a firm. Dismissals are prohibited for employers that will adopt this measure. The measure can be applied for up to 6 months and implies no cost to the State Budget.
 - Labour contracts of medical staff and staff of medical laboratories with an initial termination date up to 30/09/2020 can be extended by derogation from standard procedures.
 - Recruitments of medical staff from National Health System hospitals, primary healthcare units and entities supervised by the Ministry of Health can be conducted by derogation from standard procedures.
 - Expansion of the operations of the Hellenic Development Bank (HDB) (EUR250 million aggregate amount): HDB will allocate additional funds to its schemes in order to disburse corporate loans with 100% interest subsidy for 2 years. The amount of EUR 250 million has been already granted to HDB in the previous years and the measure will not have a fiscal impact.
 - Cash collaterals by HDB to banks for loans to affected companies: HDB will offer cash collateral on banks in order to grant loans to enterprises hit by the virus. The scheme will guarantee a part of the capital. Total guarantees extended will be equal to EUR 2 billion and will leverage lending of EUR 7 billion. The measure will be financed by a re-allocation of the public investment budget.
 - Provision of guaranteed loans to enterprises through the Hellenic Development Bank, under the Entrepreneurship Fund project (TEPIH II). Total guarantees extended will equal EUR 588 million and are expected to leverage lending of EUR 1.47 billion.
 - Direct payment of arrears to SMEs and natural persons (EUR13 million aggregate amount): tax administration disbursed arrears worth up to EUR 30 000 through accelerated audit procedures. This measure does not have a fiscal impact on the balance

ES



- Several comprehensive packages of economic and social measures have been adopted so far Expenditure measures
 - Increase by EUR 1,000 million of the Contingency Fund for the Health Ministry to cover expenditures related to increased healthcare needs.
 - Financial support of EUR 2,800 million to the regions through early transfer of funds under the regional financing framework of 2020 to support additional health expenditure.
 - Supplemental credit of EUR 25 million to cover meal allowances to ensure the basic access to food for vulnerable children affected by the suspension of educational activity in schools. This measure will also help support economic activity for meal and food services providers.
 - An extraordinary allowance is provided for self-employed workers (autónomos) affected by the suspension of economic activity
 - Additional budgetary funds of EUR 300 million to ensure the provision of assistance to dependent persons.
 - Additional flexibility for local authorities to use their 2019 budgetary surplus to fund social services and primary assistance to dependent persons.
 - The social benefit for energy provision ('bono social') will be automatically extended until September 15.
 - Compensations are foreseen in certain cases of suspension of public contracts affected by COVID-19, in order to avoid terminations of contracts leading to companies exiting the market.
 - An additional 110 million will be devoted to fund R+D+I for the development of drugs and vaccines for COVID-19.
 - Other expenditure measures relate to the use of temporary employment adjustment schemes.
 - Direct assistance for housing rent for persons unable to make payments, with a maximum amount of EUR 900 per month; programme of EUR 700 million managed by the Regions and Local Corporations in the framework of the State Housing Plan.
 - Specific programme for victims of gender-based violence, the homeless and other particularly vulnerable persons, for immediate housing solutions through financial support of up to EUR 600 per month (it may be increased in justified cases to EUR 900). An additional allowance of EUR 200 is provided to cover maintenance, community and basic supplies costs, with a limit of 100%.
 - Extraordinary allowance for domestic workers with reduced working hours or termination of contract as a result of the COVID-19, up to 70% of their regulatory base.
 - Workers on temporary contracts expiring after the declaration of the state of alarm and not entitled to unemployment benefits may receive an extraordinary allowance (80% of IPREM).
 - Extension of the unemployment benefit to cover workers whose contracts under trial period have been terminated since March 9th, and for those workers who voluntarily terminated their contract since March 1st because they had a firm job offer that has been withdrawn.
 - Strengthened unemployment protection for workers with permanent discontinuous contracts not qualifying for unemployment benefits unable to resume work as a result of COVID-19.
 - Strengthened unemployment protection for workers in the culture sector.

- Reimbursement of non-recoverable expenses for fees paid for participation in trade shows or other international promotional activities.
 - Extension of temporary contracts of faculty staff at universities.
 - Extension of pre-doctoral contracts for research staff in training.
 - Temporary compensation of certain expenditures related to the mandatory provision of television services.
 - Exemption of fees in procedures for authorisation of clinical trials for research for medicines related to COVID-19.
 - On June 16th, the Government approved the creation of the COVID-19 Fund, amounting to 16 billion. Funds will be transferred to the regions to finance the cost of the pandemic and to compensate their loss of income. It will be disbursed to the regions in four tranches.
 - Supplemental credit of 110 million euros to Sociedad Estatal de Infraestructuras del Transporte Terrestre, S.A. (SEITTSA), to compensate the reduction in road tolls revenues.
- Tax measures
 - Flexibilisation of the tax deferral regime within 2020: possibility for SMEs and self-employed workers, upon request, to defer tax payments for six months, and benefit from interest rate subsidies (relief of up to EUR 14,000 million estimated).
 - Extension until May 20th of the April deadline for tax filings by SMEs and self-employed workers (estimated by the authorities to provide liquidity injection of up to 3,558 million).
 - 50% exemption from employer's social security contributions, from February to June 2020, for workers with permanent discontinuous contracts in the tourism sector and related activities. On July 3rd, this exemption was extended to cover July to October 2020.
 - Exemption of Social Security contributions directed to maintain employment in temporary employment adjustment schemes (ERTEs) due to COVID -19. The exemption for SMEs will amount to 100% whereas for the rest of the companies it will amount to 75% of employer's social security contributions (no officially quantified impact).
 - The Social Security authority is authorized to exceptionally grant six-month deferrals on social security contributions.
 - Companies and self-employed with no social security debts are allowed to defer Social Security debt payments due between April and June 2020 with 0.5% interest.
 - For the self-employed affected by the suspension of economic activity receiving the extraordinary allowance, deferral of their March social security contribution without charges.
 - Reduction of Social Security contributions for certain agricultural workers during periods of inactivity in 2020 and simplification of the procedure for deferring Social Security debt.
 - The fourth package of measures also includes several measures to align tax bases to the current situation for SMEs and self-employed workers (estimated by the authorities to unlock more than EUR 1.1 billion in liquidity for firms). These measures include:
 - o The use of the 'direct estimation method' by self-employed workers for the calculation of certain personal income tax and VAT payments, which will allow to adjust these payments during the state of alarm to

- the real income received.
 - The adjustment of advance corporate tax payments to the estimated revenues in 2020.
 - The possibility to suspend the enforcement periods for payment of certain tax debts if companies are financing their payment through the State Guarantee Line.
 - In addition, the VAT rate applicable to the supply of healthcare material by national producers to public entities, non-profit organizations and hospitals is lowered to zero, in line with the EU.
 - The VAT rate on electronic books, magazines and newspapers is also adjusted to align it with paper products.
 - Reduction and deferral of port charges.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - Firms and sectors**
 - Publication of sectoral guidelines: (i) guidelines by the Ministry of Labour and Social Economy on how to operate in labour related aspects in the context of Coronavirus, and (ii) guidelines by the Ministry of Industry, Trade and Tourism on good practices for businesses and workers in the tourism sector.
 - Specific ICO financing facility amounting to EUR 400 million to support, through liquidity provision, firms and self-employed workers in the tourism sector affected by COVID-19.
 - Measures to support the tourism sector and related activities: the aforementioned ICO financing facility and the aforementioned exemption from employer's social security contributions for workers with permanent discontinuous contracts in the tourism sector and related activities.
 - The Government will open a new line of guarantees via the national development bank (Instituto de Crédito Oficial) of up to EUR 100 billion so that the financial sector provides liquidity to firms and self-employed workers to fund working capital, payment of bills and other needs to maintain operations and protect economic activity and employment. On April 21st, the ICO State Guarantee Line was extended to cover Alternative Fixed-Income Market (MARF) commercial paper.
 - Main features of the first tranche of guarantees amounting to EUR 20 billion: (i) 50% of the tranche will cover loans to SMEs and self-employed workers, and (ii) the guarantee will cover 80% of new loans and loan renewals to SMEs and self-employed workers, whereas for the rest of companies the guarantee will cover 70% of new loans and 60% of loan renewals.
 - A second tranche amounting to 20 billion has also been activated. It will be entirely devoted to cover operations of SMEs and self-employed workers. The guarantees will cover 80% of loans and loan renewals, and will have the same maturity as the loan with a maximum of 5 years.
 - A third tranche amounting to EUR 24.5 billion was activated on May 5th. This tranche comprises: (i) EUR 10 billion to cover loans for SMEs and self-employed workers, covering 80% of new loans and loan renewals and with the same maturity as the loan, with a maximum of 5 years; (ii) EUR 10 billion to cover loans for other non-SME companies, covering 70% of new loans and 60% of loan renewals and with the same maturity as the loan, with a maximum of 5 years ; (iii) EUR 4 billion to cover

commercial paper on the Alternative Fixed-Income Market (MARF), covering 70% of the principal of each issuance; and (iv) EUR 500 million to strengthen the counter-guarantees granted by CERSA (Compañía Española de Reafianzamiento).

- A fourth tranche amounting to 20 billion was activated on May 19th. This tranche is entirely devoted to cover loans to self-employed workers and SMEs, covering 80% of loans and loan renewals.
 - A fifth and last tranche amounting to the remaining EUR 15.5 billion was activated on June 16th. The 15.5 billion of this tranche comprise: (i) 7.5 billion for SMEs and self-employed workers, (ii) 5 billion for large companies, (iii) 2.5 billion for SMEs and self-employed workers in the tourism sector and related activities, and (iv) 500 million for companies and self-employed workers for the purchase or lease of vehicles for professional use.
- The Instituto de Crédito Oficial is allowed to increase its funding by EUR 10 billion to extend its existing lines of credit to companies and self-employed workers.
 - Additional guarantees of up to EUR 2 billion through the Spanish Export Insurance Credit Company (CESCE), for financial institutions to provide new working capital credit to companies.
 - Additional EUR 60 million of guarantees for CERSA (Compañía Española de Reafianzamiento).
 - Strengthening the counter-guarantees granted by CERSA to increase the capacity of regional mutual guarantee entities.
 - Guarantees for loan maturity extensions to farmers using credit lines under the special 2017 drought credit line.
 - Measures to support the aviation sector: EU Commission was requested to provide urgently flexibility for airport slots.
 - Deferral of the reimbursement of principal and/or interest of loans received from the Ministry of Industry, Trade and Tourism if COVID-19 has caused disruptions to the beneficiary firm. Flexibility in procedures for accessing and repaying loans or aid from the Ministry of industry was enhanced on March 31st.
 - Suspension of interest and principal payments of loans from the Secretariat of State for Tourism.
 - Postponement of payments interest and/or principal of loans by regions to companies and self-employed workers affected by the crisis.
 - Extraordinary flexibilization of the ‘Fund for Promotion and Education of Cooperative businesses’, which may be used for any activity that helps to slow down or alleviate the effects of COVID-19 through shares, grants or liquidity to cooperative businesses to ensure continuity.
 - Authorization to the Insurance Compensation Consortium (Consortio de Compensación de Seguros) to reinsure credit insurance risks in order to strengthen the channelling of resources to commercial credit, ensure the continuity of economic transactions and provide security for commercial operations.
 - Authorization for the postponement of payments on loans granted by IDAE (Instituto para la Diversificación y Ahorro de la Energía) under its grant or repayable aid programmes.
 - Additional flexibility in the energy sector regulations.
 - Measures for the culture sector including: the provision of EUR 20 million for

the mutual guarantee society CREA SGR to ensure access to liquidity and funding to SMEs in the culture sector, extraordinary support for performing arts and music, support for the film and audio-visual sector to facilitate film display at cinemas, and an extraordinary support system for the book sector.

- Support programme for the car industry, amounting to EUR 3.75 billion (which include, among other components, 500 million of the ICO guarantee line). The plan consists of several pillars, including: (i) the renewal of the vehicle fleet towards a more modern and efficient one, (ii) investments and regulatory reforms to boost competitiveness and sustainability, (iii) research, development and innovation related to the new challenges, and (iv) measures in the field of professional training and qualification.
- Support programme for the tourism sector ('Towards a safe and sustainable tourism'). The plan consists of five pillars and 28 measures, and amounts to EUR 4.2162 billion (which include, among other components, 2.5 billion of the last tranche of the ICO guarantee line). The five pillars are following: (i) regaining trust as a destination, (ii) measures for the sector's reactivation, (iii) improvement of competitiveness of the tourist destination, (iv) improvement of the tourism knowledge and intelligence model, (v) marketing and promotion.
- New line of guarantees via the national development bank (Instituto de Crédito Oficial) of up to EUR 40 billion for new investments projects.
- Solvency Support Fund for strategic companies. Up to 10 billion euros. The Fund will provide temporary capital support (through equity loans, subordinated debt or participation in equity or other capital instruments) to companies considered strategic for their economic and social impact or for reasons of security, health, infrastructure, communications or contribution to the good functioning of financial markets.
- Plan Renove 2020. Subsidies for automobile fleet renewal. 250 million euros until December 21st 2020.
- Twelve-month credit postponement on mortgage payments for properties assigned to activity for firms and self-employed in the tourism sector
- New financing line for investments projects in digitalisation and innovation in the tourism sector (216 millions).
- Touristic destinations sustainability plans, to promote rural and non-coastal touristic destinations.
- Operational guidelines for the air transport sector (ECDC guidelines)
- Reduction of minimum traffic requirements in port concessions, when concessionary's traffic has been affected by COVID 19 consequences.
- Six months' credit payments deferral for loans, leasing and renting contracts for passenger buses and road transport vehicles if activity has been severely affected by COVID pandemic.

Workers

- Improved protection for workers under precautionary confinement and/or suffering from COVID-19: workers and civil servants under precautionary confinement or affected by coronavirus will benefit from the regime applicable to leave due to workplace accidents instead of leave due to a regular sickness. The public sector will cover the cost of the leave of these workers. The aim of this measure is to facilitate workers to follow health safety instructions, while avoiding that the costs of medical leaves are borne by families and firms.

- Changes in the temporary employment adjustment schemes (ERTEs - Expedientes de Regulación Temporal de Empleo) in order to avoid (and forbid during the lockdown) outright dismissal by promoting temporary unemployment (the suspension of employment) or reductions in working time. In particular:
 - o The temporary employment adjustment schemes have been significantly simplified.
 - o Access conditions to these schemes have been extended: all workers affected by employment suspension or working time reduction are entitled to receive unemployment benefits, regardless of their contribution period.
 - o Unemployment benefits received under the temporary employment adjustment scheme do not count in terms of consumption of unemployment benefit rights.
 - o As previously mentioned under tax measures, employers will be exempt from social contributions during the period of application of the temporary employment adjustment scheme: SMEs will benefit from a 100% exemption in employer's social security contributions whereas for the rest of firms the exemption will amount to 75%.
 - o ERTEs applied in force majeure cases have been extended to be applicable in sectors considered essential but having nevertheless suffered a reduction in revenues due to confinement measures.
- The possibility of resorting to ERTEs due to force majeure causes related to COVID-19 has been extended at least until 30 June 2020. Changes were also made to the employer social security contributions exemption regime so as to encourage the return to activity for firms with partial ERTEs. In addition, companies headquartered in tax havens will not be able to benefit from ERTEs applied in force majeure cases.
- On June 26th, a new extension (until 30th September) of the possibility of resorting to ERTEs due to force majeure causes related to COVID-19 was adopted. Changes were also made to the employer's social security exemptions regime:
 - o Companies of less than 50 employees unable to restart their activity will benefit from exemptions of 70% in July, 60% in August and 35% in September.
 - o Companies of more than 50 employees will benefit from an exemption of 50% in July, 40% in August and 25% in September.
 - o There will also be a reduction in the exemptions in the case of partial ERTEs.
- Companies forced to close as a result of new outbreaks will allowed to resort to ERTEs due to force majeure cases. In this case, companies of less than 50 employees will benefit from an exemption of the employer's social security contributions of 80%, and of 60% if the company has more than 50 employees.
- Flexibilisation of working conditions, encouragement of telework and adjustment of working times. Reduced working times are permitted for workers having to take care of children, elderly or dependent persons.
- Two-month extension of telework as the preferred working method as well as the adjustment and reduction of working hours (measure adopted on April 21st).
 - Interruption of the calculation of the duration of temporary contracts if they are suspended due to COVID-19.
 - Workers affected by the suspension of all non-essential economic

activities from March 30th until April 9th will receive their full salary, and will be required to compensate the lost working hours before December 31, 2020.

- Temporary flexibilization measures to encourage employment in agriculture.

- Public employees are allowed to change their normal activities to voluntarily support health, social and health care and areas that require reinforcement of human resources.

- Retired health personnel is allowed to return to work while maintaining their pension payment.

- Other

- Budgetary flexibility measures in order to enable transfers between budget lines.

- Emergency management process for the procurement of all goods and services needed by the public sector to implement any measure to address COVID-19.

- Price intervention: (i) possibility for the Government to set, in an exceptional public health situation, a maximum price for medicines and certain products, and (ii) no updates of maximum sale prices of liquefied petroleum gas for six months in order to avoid price increases.

- Three-month credit postponement on mortgage payments for the most vulnerable and on mortgage payments of business premises for self-employed workers.

- Three-month deferral of non-mortgage loans and credits held by vulnerable people, including consumer credit.

- Suspension of evictions for six months after the declaration of the state of alarm.

- Automatic renewal of rental contracts expiring within three months and for up to six months

- Automatic deferral of rent payments for vulnerable tenants whose landlord is a large housing holder (owning 10 or more properties), for a maximum of four months with repayment over three years.

- Transitional financial assistance for tenants at zero cost with a State guarantee (six months of rent, to repay within 10 years). On April 21st, the total amount of the State Guarantee Line was established at EUR 1.2 billion.

- Mechanism for reducing the costs of renegotiating and deferring rent payments for businesses to large owners or public companies. For other owners, deposits will be facilitated as payment mechanism.

- Reduction of notary fees associated to changes in non-mortgage credits.

- Possibility of redemption of pension plans by workers under short-term work schemes and the self-employed who have ceased their activity. On April 21st, the terms for the redemption of pension funds were defined, including the accreditation of circumstances entitling the redemption, and the maximum quantities allowed.

- Guarantee of the continuity of energy and water supplies, prohibiting their suspension for reasons other than security of supply. Telecommunication services are also guaranteed.

- Flexibility in payment of basic supplies such as electricity, water, gas or telephone for the self-employed and companies affected by the COVID-19.

- Postponement of payments due between March and December 2020 of certain university student loans linked to future income.

- Prior government authorization for third country FDI in strategic sectors, which was reinforced on March 31st to ensure the coverage of all foreign investment effectively controlled by third country companies.

- For macro-prudential reasons, the National Securities Market Commission is allowed to modify the requirements applicable to collective investment institutions.
- Temporary and extraordinary extension of certain requirements allowing joint-stock companies or limited liability companies to qualify as worker-owned limited companies.
- Acceleration of custom procedures for imports and exports in the industrial sector for six months.
- Suspension of Labor and Social Security Inspection deadlines to facilitate the adjustment of the economy and the protection of employment.
- Reinforcement of control and penalty mechanisms to avoid fraud in the granting of benefits. Penalties are legally regulated for companies submitting false or incorrect applications and corporate liability is established (the firm will have to reimburse the benefits unduly received by its employees).
- Support for R+D+I for the development of drugs and vaccines for COVID-19 (as reflected under expenditure measures).
- Financial support measures for science and technology parks through the postponement and fractioning of loan payments.
- Authorization for the Barcelona Supercomputing Center to borrow funds to fulfil international commitments related to the EuroHPC project.
- Changes to the requirements to access public grants for universities in order to ensure the continuity of projects.
- Enable CDTI to expedite aid and contributions to the business sector, in order to promote innovation in the fight against the pandemic to support the rapid financing of prototypes and the industrialization of emergency medical products.
- Procedural and administrative requirements for companies are facilitated: for the holding of shareholder and management meetings, preparation of financial statements, and extension of deadlines for the submission of certified documentation. Deadlines for insolvency declarations as well as for tax filing procedures and requirements are also extended.
- Approval within 15 days after the end of the state of alarm of an Action Plan to expedite court activity.
- Provisions for suspension of fees paid in the case of subsequent contracts, and establishment of compensatory voucher systems.
- Provisions on suspension of portability in telecom services only in cases requiring physical presence. Rates are also temporarily frozen.
- Limitations on advertising and promotional activities for online gaming activities.
- Exceptional temporary measures related to port activity to mitigate the economic impact of COVID-19 (adjustment of minimum traffic requirements, exemptions in certain port fees in case of suspension or significant reduction in activity).
- Establishment of a Sports Foundation, endowed with funds from the sale of audio-visual football rights, to help finance and provide stability to federative, Olympic and Paralympic sport.
- Support to the digitalization of small and medium companies through grants and loans to finance investment in digital equipment or solutions for remote working conditions (programme ACELERA PYME).
- On May 5th, new measures to support digitalization were approved. These additional measures include the introduction of a learning programme in digital

economy for young unemployed people to improve their digital skills, as well as two support programmes amounting to EUR 50 million to promote technological development based on Artificial Intelligence and other digital enabling technologies, and to promote the development of technological development on certain fields.

FR



President Macron announced that the government will support the healthcare system and the French economy (support measures for firms and employment), whatever it costs. A third revised draft budget law for 2020 was presented on 10/6. The economic rescue plan consists now in a EUR 137 billion package (above 6% of GDP), in addition to EUR 315 billion in guarantees for bank loans to businesses and credit insurance (around 14% of GDP).

- Expenditure measures

- Health measures:**

- Financial support to healthcare system, via EUR 8 billion increased expenditure for medical devices, sickness allowances (possibility to benefit from sick leave for individuals who cannot work due to confinement) and exceptional compensation of healthcare personnel.
 - Financial support to the healthcare system: EUR 260 million (0.01% of GDP) for hospitals out of unspent reserves in the 2019 budget. Payments of EUR 3.5 billion (0.14% of GDP) from the 2020 allocation brought forward (April instead of May). No budget impact expected.
 - Requisition of the stock of masks by the State to ensure a redistribution to places where they are most needed (adopted).
 - Overtime for healthcare workers and medical teleconsultation conditions eased (adopted).
 - Implementation of a region-by-region childcare service and possibility for taxis and hotels to be requisitioned for medical staffs (bills paid by the State).
 - Reinforcement of hospitals' resuscitation capacity to 10,000 beds

- Other measures:**

- Massive plan of temporary unemployment ("chômage partiel") to support employment: conditions eased (automatic upon request by firms) and extended to other categories of beneficiaries (e.g. childcare workers and domestic workers). 70% of gross wages ensured, entirely covered by the government, while only 1 SMIC was ensured by the government before). This amounts to a ceiling of 4.5 times the minimum wage, the obligation to use reduction of normal working schedule. Latest estimated budgetary impact of EUR 31 billion.
 - Solidarity fund including a tax-exempt lump sum compensation corresponding to the loss of turnover over one year (within the limit of EUR 1,500) for VSEs (turnover less than EUR 1 million and annual taxable profit of less than EUR 60,000), self-employed workers, micro entrepreneurs and liberal profession experiencing a very sharp drop in turnover (loss of 50% of turnover over one year in March 2020) or subject to administrative closure. Additional aid of EUR 5,000 for businesses with at least 1 employee threatened with bankruptcy. Fund to remain active after May, with focus on the hardest hit sectors and extended eligibility. EUR 8 billion, including contribution from the regions of EUR 500 million, plus EUR 400 million

- contribution by insurers.
- Opening of a credit line (EUR 20 billion) for strategic industrial companies in need of support from the state, covering capital injections and investments or nationalisation.
- Increase of the capacity of the economic and social development fund (FDES) addressed to medium-sized enterprises in need up to EUR 1 billion.
- Creation of a EUR 500 million envelope for repayable advances or subsidised loans for small strategic industrial companies (from 50 to 250 employees) suffering from a lack of cash flow and which cannot benefit from the loan guaranteed by the State.
- Creation of additional emergency reserves in the central government budget for unforeseen expenditures (EUR 2.5 billion). This includes the payment of an exceptional solidarity aid to the most fragile households for about EUR 0.9 billion.
- Opening of new budget credits in the central government budget for supporting expenditures across ministries to respond to the sanitary and economic crisis (EUR 2.6 billion).
- Exceptional bonus to civil servants (outside the healthcare system) at central and local level, exempted from all social security charges and contributions up to a limit of EUR 1,000. Measure included under the State's norm, with no specific budgetary impact quantified.
- Extension of unemployment insurance benefit payments and postponement of entry into force of the reform of the unemployment benefit system. All measures together amount to EUR 0.4 billion.
- Increase of the ceiling of the state guarantee on the refinancing of the unemployment insurance system (Unedic), from EUR 2 billion to EUR 7 billion.
- Abolishment of the waiting period for the additional compensation paid by the employer to childcare parents and increase of the replacement income up to 90% of the net salary.
- Extension of eligibility for access to minimum welfare benefits over the containment period: income of active solidarity (RSA), the complementary healthcare (CSS), allowance for handicapped persons and children.
- Tax measures
 - Postponement of social and fiscal deadlines for all companies upon simple request for March, to June. They may lead on a case-by-case basis to tax relief for the most distressed companies. Estimated amount EUR 33.5 billion . No impact on 2020 deficit quantified at the moment.
 - Exemption from social security contributions for SMEs and VSEs operating in the worst hit sectors (tourism, hotels, cafés and restaurants, events and culture sectors) during the administrative closure. Estimated impact of EUR 3 billion.
 - Exemption from income tax and social security contributions for overtime worked by employees, from 16 March until the end of the state of health emergency, up to a maximum of EUR 7,500 per year (currently EUR 5,000)
 - Deferral of the payment of rents, electricity or gas bills for professional premises, VSEs and SMEs in sectors whose activity is interrupted (adopted). Rents and occupancy fees on public property due to national landlords for VSEs and SME operating in the hardest hit sectors (tourism, hotels, cafés and restaurants, events and culture sectors) will be cancelled for the period of

- administrative closure.
 - Deferral of tax and social security payments will be prohibited for large companies paying dividends. Share buy-backs are also not compatible with state support.
 - Relaxation of the conditions for the exceptional purchasing power bonus for companies with fewer than 250 employees, suspension of the obligation to sign a profit-sharing agreement for the payment of an exceptional bonus exempt from income tax and all social security charges up to a limit of EUR 1,000 in 2020. In the case of a profit-sharing agreement, the amount of the exceptional bonus may be increased up to EUR 2,000 depending on the employees' working conditions, with an extension of the payment period until August 31, 2020.
 - Advanced refund of tax credits (including start-ups) and advanced refund of three months VAT credit claims. Total amount of EUR 23 billion.
 - Advanced reimbursement to companies of credits stemming from the carry-back of losses. Estimated impact of EUR 400 million.
 - Reduction of the VAT rate to 5.5% on masks, protective clothing (overalls, hats, gloves, etc.), hydroalcoholic gels and all body disinfectants.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - Quarantine starting on March 17th noon and progressively released as of May, 11th;
 - Limit set to the price of hydroalcoholic gel via decree;
 - Support in dealing with a conflict with customers or suppliers;
 - Removal of the ceiling for advances paid by the State on public contracts and no delay penalties will be applied regarding public contracts (COVID-19 is considered as a “cas de force majeure”);
 - State-guaranteed treasury loan of up to 25% of annual turnover or 2 years of payroll for newly created or innovative companies. No repayment will be required in the first year; the company may choose to amortize the loan over a maximum period of five years. Scheme enabling the State to guarantee EUR 300 billion in cash loans. The guarantee may cover 70 to 90% of the amount of the loan, depending on the size of the company. The granting of State guarantees on liquidity loans is conditioned on the respect of payment deadlines to suppliers. State-guaranteed loans will be prohibited for large companies paying dividends. Share buy-backs are also not compatible with state support.
 - Supply by BPI France of a guarantee to SMEs and medium sized enterprises for confirmed overdrafts over 12 to 18 months or on loan of 3 to 7 years, 6-month extension of maturities as of March 16. Granting by BPI France of (i) unsecured loans over 3 to 5 years up to EUR 5 million for SMEs, and EUR 30 million for small and medium enterprises, with a significant deferral of repayment (ii) loans from EUR 10,000 to EUR 300,000, subsidised over 7 years with a 2-year grace period
 - Public reinsurance on outstanding credit insurance for companies to maintain their activity up to EUR 10 billion.
 - Reinsurance of short-term export credits has been increased from EUR 1 billion to EUR 5 billion, in the context of a broader contingency plan.
 - Wider access to Banque de France refinancing for SMEs: the Banque de France will broaden the private claims that it can refinance, to provide

additional facilities for the banks that lend to them. From now on, it will extend the scope of the claims that can be mobilised on 16,000 SMEs and VSEs assessed by the banks' internal rating systems.

- The High Council for Financial Stability (HCSF) cut the countercyclical capital buffer rate to 0% as of April.
 - Mobilise credit mediation to support SMEs in the territories that would need to renegotiate their contracts and loans with their banks;
 - Mobilisation of the financial reserves of the self-employees' complementary pension scheme to provide exceptional aid, up to EUR 1,250, in the craftsmanship and retail sector. The aid will be exempted from taxes and social contributions. Estimated overall impact of EUR 900 million.
 - Speeding up of approval procedures in sectors like construction or chemical;
 - Derogation from maximum working hours in specific sectors
 - Authorization for the tourism sector to reimburse travel in the form of a credit note or deferral of the service.
 - Creation of a job platform, "Mobilisationemploi", accessible to jobseekers registered or not with Pôle Emploi and to employees in partial activity. It will allow an exceptional mobilization for employment in the following priority sectors: medico-social, agriculture, agri-food, transport, logistics, home help, energy, telecom.
 - Definition of a comprehensive recovery plan for the tourism sector. According to announcements, the plan, worth EUR 18 billion overall, includes EUR 3.6 billion specifically channelled to the sector via Banque des Territoires and BPI France for direct investment fostering green and digital transition of the sector, long-term credit and treasury measures. The remainder of the plan includes the adaptation for the sector of eligibility criteria, ceilings and duration of support measures already implemented, such as public guarantees, temporary unemployment scheme, direct subsidies and tax deferrals and cancellation.
 - Definition of a comprehensive recovery plan for the automotive sector. According to announcements, the plan, worth EUR 8 billion overall, includes EUR 5 billion guarantee accorded to the Renault group, the creation of investment funds for sustaining innovation, modernisation and greening of the value chain, eco-subsidies to support the transformation of the fleet.
 - Definition of a comprehensive recovery plan for the aeronautics sector. According to announcements, the plan, worth EUR 15 billion overall, includes specific support measures and the extension for the sectors of existing measures (e.g. the temporary unemployment scheme). Specific measures include direct support to R&D and innovation across the value chain over three years, the creation of investment funds for sustaining recovery, competitiveness, greening and diversification, the anticipation of public procurement orders and export guarantees. A guarantee and a loan for a total of EUR 7 billion were accorded to the Air France-KLM group,
- Other
 - Launch of a study on the security of supply in the automotive and pharmaceutical industries, in order to make them more independent of their supplies from abroad;
 - Establishment of an economic continuity unit;
 - Postponement of envisaged pension reform.
 - Closure of all educational institute and of all-public buildings and businesses,

- except those essential to people’s everyday lives
- Postponement of the second round of the municipal elections to the 21st of June
- Closure of EU and Schengen borders (for 30 days)

HR



- Expenditure measures
 - Subsidies for businesses in difficulties paid out per worker in the amount of the minimum wage (HRK 3 250) plus social contributions in March and in the amount of HRK 4 000 in April and May, subject to the following eligibility criteria:
 - The business must experience a drop in revenue of at least 20%
 - In the period since 20 March until lodging a request, the business did not lay off more than 40% of their staff (micro businesses), 20% of their staff (small businesses) or 10% of their staff (big companies).
 - Extending the support scheme for seasonal workers.
- Tax measures
 - Tax deferral: possibility to defer the tax liability accrued during three months, applicable to personal income tax, corporate income tax and social contributions, with a grace period of up to 24 months for all businesses, subject to the following eligibility criteria:
 - The business must have no substantial pre-existing tax debt
 - The business must experience a (projected) drop in revenue of at least 20% on a monthly or quarterly basis
 - Tax cancellations: the payment of the (deferred) tax liability (applicable to personal income tax, corporate income tax and social contributions) accrued during three months is waived in full for companies with revenue up to HRK 7.5m (EUR 1m) that experience a drop in revenue of 50% or stronger. For companies with revenue above the HRK 7.5m threshold that experience a drop in revenues of 50% or more, the share of the tax liability which is waived will equal the rate of the drop in revenue.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - To help the tourism sector the government is delaying the payments of several tourism specific para-fiscal charges, but also property income payments
 - A moratorium on enforcement on transactions on accounts of natural persons during the coronavirus epidemic was introduced, along with a suspension of accruing of interest in this period
 - The government froze the prices of flour, milk, eggs, rice, pasta, meat, fish, fruit and veg, baby food and diapers, soap and disinfectants and certain medical supplies.
 - Agency for SMEs is opening a new credit line for working capital lending for SMEs.
 - Two programmes by the promotional bank HBOR were approved on the basis of the temporary framework for state aid measures: one supporting liquidity of exporters through a portfolio insurance scheme worth HRK 6 billion and another programme of favourable loans for SMEs in the amount of around HRK 7.5 billion
 - The city of Zagreb is allowing deferrals on all payments to the city for pensioners

IT



The Italian Government has taken several packages of measures to support the health sector, firms, workers and families, since the outbreak in the first municipalities.

In the first phase, packages focused on measures aimed to reinforce the public health sectors and suspend tax payments and contributions in the areas of the Country subject to a total closure in that period. They include:

- Law Decree of March, the 2nd, n. 9/2020, containing urgent support measures for families, workers and businesses;
- Law Decree of March, the 9th, n. 14/2020, containing measures to strengthen the national healthcare system and civil protection; several Decrees of the President of the Council of Ministers and Civil Protection ordinances with emergency measures for the containment and management of the epidemiological emergency of the coronavirus.

In the second phase, packages aimed at tackling the economic and social consequences of the Covid-19 emergency supporting the economy, preserving employment levels and incomes and strengthening Italian businesses. They also provided extra funding to protect citizens' health. They included:

- Law Decree of March, the 17th, n. 18/2020 ("Cura Italia" decree) (accounting for EUR 20 billion of net borrowing) containing measures to strengthen the national health system and for the economic support of households, workers and firms;
- Law Decree of April, the 8th, n.23/2020 ("Liquidity" decree) containing liquidity and fiscal measures to support the country's production system;
- Law Decree of May, the 19th n. 34/2020 ("Recovery" decree), containing measures on healthcare, economy, jobs and social policies (EUR 55 billion in terms of net borrowing).

The total amount of the economic support package in 2020 is equivalent to 4.5% of GDP, plus guarantees for around 40% of GDP. With regard to the State budget's net balance to be financed, both accrual based and cash based, the effects of the decrees ("Save Italy" and "Recovery") amount to EUR 180 billion in 2020 and EUR 25 billion in 2021.

Considering the effects on public finances of these measures and the deteriorating macroeconomic scenario, the projected level of general government net borrowing requirements reported by the Economic and Financial Document 2020 is set at 10.4% of GDP in 2020 and 5.7% in 2021. The projected level of government debt is 155.7% of GDP in 2020 and 152.7% of GDP in 2021.

The main measures are detailed below

- Expenditure measures

Healthcare measures:

- 845 mln funding for extraordinary hires in the healthcare system and purchase of medical devices (Law Decree n. 14/2020)
- Identification of coverage of the hiring of the already planned hiring of 20.000

- workers in the national health system
- Increase of EUR 1.65 billion for the Fund for National Emergencies
- Increase of the fund for overtime of health workers by EUR 150 mln
- EUR 340 mln to increase hospital beds and intensive therapy
- Invitalia provided specific support to firms for the production of medical products (such as masks) for EUR 50 mln
- The seizing of properties that are needed for emergency health care needs
- The use of military healthcare system to counter the disease. EUR 64 mln to increase military health workers. Additional funds for civil protection, fire brigade and security forces. Graduates in medicine can practice immediately after the degree
- EUR 8.1 billion for 2020 for the strengthening and re-organization of healthcare. This includes: EUR 1.4 billion for the strengthening of hospital infrastructures such as hospital beds, including in ICU; territorial assistance and healthcare structures for home-based care patients, including the hiring of nurses; EUR 1.5 billion increase of the fund for emergencies.

Job protection measures:

- Early measures: Additional resources for the wage supplementation scheme, aimed to safeguard jobs before workers are dismissed, for the most affected municipalities. Monthly allowance of EUR 500 for up to 3 months for self-employed workers in the municipalities most affected at the end of February (Law Decree n. 9/2020)
- The social safety net has been widened and strengthened by two main packages:
 - the "Cura Italia" decree that allocated around EUR 10 billion to protect employees by easing and widening the wage supplementation scheme in every productive sector, including businesses with less than five employees; protect self-employed and seasonal workers by providing a one-month (March) allowance of EUR 600; extend some specific social benefits such as paid leaves for caregivers and parents and introduce temporary measures of income support;
 - the "Recovery" decree that allocated around EUR 25 billion aimed essentially at extending the measures included in previous legislation to support workers and households, providing some simplifications in order to improve the rapidity of social benefit disbursements to recipients. More details on the measures are illustrated in the points below. More details on the measures are illustrated in the points below.
- The wage supplementation scheme in all its variations (ordinary, extraordinary and in derogation) has been streamlined and extended across the country to cover for firms of any size and sector. The "Cura Italia" decree provided to all these firms and their workers 9-extra weeks of wage supplementation, and the "Recovery" decree added 9 weeks more (totally: 14 weeks to be used within August, the remaining 4 from September on). Red tape problems have also been addressed in the Recovery, by providing an easier and shorter processing for wage supplementation claims by the employers, particularly for the derogation scheme that previously involved the Regions and witnessed serious delays. Lately, the 31 august date for the last 4 weeks has been canceled (June).
- A one-off EUR 600 allowance was introduced for March by the "Cura Italia" decree for the self-employed and for employees not covered by specific income support schemes, such as seasonal workers or workers in the sport and

entertainment sectors. The “Recovery” decree extended the measures, originally intended as non-means-tested and covering nearly 5 mln eligible workers, to the month of April, and to home-care workers. Starting from May, the “Recovery” decree provided a different, means-tested, eligibility system based on profits lost during the emergency (comparing the turnover in March-April 2020 with the same period in 2019, with partial compensation of at least 33% of profit lost depending on the firm size). For the eligible workers only, the May allowance is raised at EUR 1 000. The new system covers self-employed workers not enrolled in professional orders and atypical employees; the allowance is raised to EUR 1 000 for seasonal workers in the tourism sector; the EUR 600 allowance remains for other employees (such as sport and entertainment workers) and it is lowered to 500 for agricultural workers; self-employed in the retail trade and craft sector, as well as self-employed farmers, are excluded since the “Recovery” decree has shifted these workers to an help program for firms (amounting up to 20% of the revenue loss, and a minimum of EUR 1 000).

- EUR 300 mln fund for last resort income to cover all those not covered by the other measures, included the professionals enrolled in orders (“Cura Italia” decree). The fund has been extended by the “Recovery” decree to April and May and raised it to EUR 1.1 billion. This includes transfers to the social security funds of the self-employed enrolled in professionals orders (such as lawyers, engineers, etc) to finance an allowance similar to the EUR 600, and its later development.
- The unemployment benefit has been extended by the “Recovery” decree, by providing 2 extra months for those who see their ordinary income support expire in March and April.
- A new EUR 230 mln Fund has been set by the “Recovery” decree for workers vocational training.
- Emergency income (min EUR 400, up to EUR 840 in case of households with persons affected by disabilities) for maximum 2 months for households in need following the crisis (“Recovery” decree).
- The paid parental leave for private employees and self-employed has been raised by 30 extra days (15 in “Cura Italia” Decree and 15 in “Recovery” Decree) to be used until July. The 30% replacement rate of the ordinary benefit has been raised up to 50%. Introduced one-off contribution of EUR 1,200 for recourse to babysitters (increased to EUR 2 000 for parents working in the health sector); the baby-sitting voucher can be spent for summer camps and similar activities (“Recovery” decree).
- Quarantine of the workers in the private sector will be treated as sick leave (extended until July).
- Paid leave for persons affected by disabilities or for caregivers who assist people affected by disability has been extended by 12 days for March and April and for additional 12 days for May and June, for a total of additional 24 days.
- Suspended prescriptions for beneficiaries of the citizenship income, required by law to follow a path of social and work reintegration.
- Measures for home office: default status along the whole emergency period in the public administration and for parents employed in the private sector. Those with at least one dependent child under the age of 14 will have the right to work from home provided that this is compatible with the characteristics of their tasks.
- Suspension of job dismissals (for a five-month period).
- One-off tax free premium of EUR 100 monthly for people who went to work in

March and with yearly income below EUR 40 000 (it is paid since April).

- Measures to address undeclared work: Italian employers or citizens of a Member State of the European Union, or foreign employers holding a residence permit, may submit applications to conclude a subordinate employment contract with foreign citizens present in the Italian territory or to declare subsistence of an ongoing irregular employment relationship with citizens Italians or foreign citizens. The regularization of foreign workers can be done through the payment of a lump-sum contribution (EUR 500 for each worker). Foreign citizens can request a temporary residence permit, valid only in the Italian territory and lasting 6 months. The norms may apply to about 176 000 workers ("Recovery" decree).

Tax measures

- Early measures: Suspension for 3 months of tax and social security payments in the municipalities most affected (DM 24/02/2020 - Law Decree n. 9/2020). Suspension of VAT payments for firms and self-employed with revenues of less than 2 mln who are residents in the provinces of Bergamo, Brescia, Cremona, Lodi and Piacenza.
- Postponement of tax and social security payments for the tourism sector until 31st of May.
- Suspension until September of tax and social security payments due in April and May for firms and self-employed that recorded in March and/or April compared to 2019: a 33% drop in turnover with revenues of less than EUR 50 mln, or a 50% drop in turnover with revenues of over EUR 50 mln.
- Deferred payments of all the above mentioned tax payments until September will not include penalties and interest, and there is the possibility to pay in instalments thereafter.
- Suspension of tax and social security payments for start-ups.
- 50% tax credit for expenditures for sanitations and securization of workplaces, up to EUR 20 000 per beneficiary, providing for an accelerated procedure; 60% tax credit for ensuring safety in work places and commercial activities open to public, up to EUR 80 000 per beneficiary; tax credits for the sanitisation of working places and for research and innovation in the South of Italy ("Recovery" decree).
- Exemption from VAT on protection and safety devices in 2020, and reduction to 5% VAT afterwards. Tax credit of 60% of the rent for the month of March, April and May for businesses and self-employed up to 5 million revenues who recorded a 50% drop in April turnover. Hotels and agritourism facilities can take advantage of the credit regardless of the size and turnover reduction. Deductibility of donations for the emergency up to a max of EUR 300,000.
- 2 years postponement of tax verifications for the tax year 2015; further postponement to September of payments for past tax liabilities emerging from audits ("Recovery" decree).
- Incentives to the use the forecast method (instead of the historical one) for tax advances (tax advances from firms and self-employed can be based on the expected income in 2020, with no penalties up to 80% of underestimation of the actual income).
- Financial allowance to small firms and self-employed workers (with turnover in 2019 below EUR 5 mln) who recorded a significant drop of turnover (above 1/3) in April 2020 compared to April 2019. The allowance is a share of the drop recorded and ranges from 10% to 20% depending on the overall turnover (providing stronger contributions to smaller firms).

- EUR 4 billion for the abrogation of the regional tax on productive activities due in 2020 (balance payment for 2019 and advance payment for 2020) for firms and self-employed workers with yearly turnover up to EUR 250 000.
- Exemption from first instalment of the property tax (IMU) for 2020 for hotels and other reception facilities.
- Exemption from ground occupation taxes (TOSAP and COSAP).
- An additional tax credit for firms' capital uplifts.
- Abrogation of VAT safeguard clauses in 2021 (EUR 20 billion).
- 110% (transferable) tax credit for energy efficiency (Ecobonus) and seismic risk reduction (Sismabonus) on works taking place in the second half of 2020 until the end of 2021.
- Postponement of the automatic stamp tax on electronic invoicing.
- Postponement of the new taxes on sugar and plastic.
- Postponement to January 2021 of the "lottery of receipts" (aimed at discouraging omitted billing).
- Tax credit for holidays (from EUR 150 to EUR 500 depending on household's composition) for households with yearly income below EUR 40 000.
- Tax credit for R&D activities for enterprises in Southern Italy: 25% for large enterprises; 35% for medium sized enterprises and 45% for small sized enterprises.

Sectorial, regional measures, or measures other than fiscal

Public guarantee on loans

- Early measure: One-year suspension in the repayment of the loans allocated by Invitalia and allocation of EUR 50 million to support SMEs in the municipalities most affected by the end of February; up to 18 months suspension in the repayment of real estate mortgages by workers having lost, or been reduced, their job (Law Decree n. 9/2020)
- A moratorium on mortgage payments for the first residence and loans to individuals in financial distress, including self-employed workers (additional EUR 400 million for 2020 in the already existing fund Gasparrini)
The "Cura Italia" decree introduced a state guarantee, worth around EUR 3.5 billion (0.2% of GDP) on: 1) up to one third of the total financing received by SMEs (or 1 500 EUR per SME) in case of their extension/suspension under specific conditions (e.g. both for bullet-loans and for loans reimbursed in instalments, the payment of the principal or any instalment is suspended until end-September 2020 at the same conditions). 2) up to 80% on the liquidity granted, via banks and other financial intermediaries, to firms facing a sharp decline in turnover by Italy's national promotional institution "Cassa Depositi e Prestiti SpA", also as guarantees.
- The "Cura Italia" decree strengthened the SME Guarantee Fund (through additional EUR 1.5 billion) up to EUR 5 million on loans to SMEs in distress for the nine months following the decree; This fund was substantially increased by the "Liquidity" decree (most likely to EUR 7 billion, but could be further increased to EUR 10 billion). Procedures to access the guarantees from the Fund for SMEs have been substantially eased. Financing below EUR 30,000 will benefit from a 100% guarantee and will not require prior assessment; financing up to EUR 800,000 and for business with a turnover below EUR 3.2 million will also benefit from a 100% guarantee but will be subject to prior assessment. Above that threshold and up to EUR 5 million turnover, the guarantee will be

90% and a prior assessment will be required. Moreover, the Central Guarantee Fund will be also allowed to provide guarantees to Small MidCaps (up to 499 employees). The “Recovery” decree refinanced the SME Guarantee Fund by an additional 3.9 billion euros for 2020, for the already envisaged purposes of strengthening and extending the relative scope of operations.

- The “Liquidity” decree contains new public guarantees to support credit to business aimed at mobilizing up to EUR 400 billion (more than 20% of GDP): A) 200 billion for all firms hit by the crisis and B) up to 200 billion for exporting firms. A) The guarantee will be provided by SACE to banks and other financial institutions to facilitate the provision of new loans in any form to firms. EUR 30 billion of the SACE guarantee will be reserved to SMEs and self-employed that have exhausted the credit facility provided under the Central Guarantee Fund for SMEs. The new general guarantee for firms will cover 70% to 90% of the amount financed, depending on the dimension of the firms, and will be subject to conditionality: the financing will have to be spent for activities on the national territory and the firms cannot distribute dividends for 12 months, the guarantee cannot exceed 25% of the turnover reported for 2019. The size of the new guarantee will depend on firms’ turnover: 1) Business with a turnover below EUR 1.5 billion and less than 5000 employees will benefit from a 90% guarantee and will be granted a simplified access procedure; 2) Business with a higher turnover will be subject to an assessment procedure. The guarantee will be 80% for firms with a turnover below EUR 5 billion while 3) the guarantee will be 70% above that threshold. B) Enhancement of public support to export by introducing a co-insurance system according to which the commitments deriving from SACE’s insurance schemes are assumed by the State for 90% and by the same company for the remaining 10%. The D.L. n. 34/2020 “Relaunch” then authorized SACE to provide guarantees in favor of insurance companies of the credit branch on the indemnities generated by the exposures relating to short-term commercial credits accrued from 19 May 2020 (date of entry into force of the decree law) until December 31, 2020, within the maximum limit of 2,000 million euros. The guarantee operates on 90% of the indemnities. The state guarantee also operates on SACE’s commitments in this case.
- The “Recovery” decree has set up a fund for the support and relaunch of the Italian productive economic system, called the “SMEs Patrimony Fund” (“Patrimonio PMI”) aimed at subscribing newly issued bonds or debt securities of SMEs.
- Public guarantee on bank liabilities compatible with state aid for up to EUR 15 billion; public support to facilitate orderly conduct of any compulsory administrative liquidation procedures of banks other than “credito cooperativo”, with total assets of EUR 5 billion or less to grant public support to an acquiring bank for the transfer operations of assets and liabilities (“Recovery” decree).

Other measures to support firms

- Firms’ credits with respect to debtors who do not pay can be transformed in tax credits (“Cura Italia” decree)
- Nine-month mortgage relief for self-employed and professionals that recorded a fall in turnover by more than a third. For companies with a turnover over EUR 10 million implementing capital increases over EUR 250 thousand, there is the possibility to issue financial instruments that can be bought by the newly

created “SMEs Assets Fund”, handled by the public agency Invitalia. Additional norms are introduced to simplify and accelerate venture capital operations (“Recovery” decree). Support to larger companies (with annual turnover up to 50 million) through CDP, via the creation of a dedicated pool of resources (EUR 45 billion), called “Re-launch Assets”, for operations in line with the state aid temporary framework / at market conditions. The interventions will concern stock companies, including listed companies, which have their registered office in Italy, do not operate in the banking, financial or insurance sectors and have an annual turnover of over EUR 50 million

- EUR 100 million fund for 2020 for SMEs, to support employment levels, financial viability, internationalisation, and technological advancement, as well as support to start-ups
- Suspension of 2 months (until end of April) in the payment of the electricity, gas, water and waste bills in the municipalities most affected by the end of February (Law Decree n. 9/2020); reduction in electricity bills for all non-domestic uses (“Recovery” decree)
- The “Recovery” decree provides for multiple interventions to strengthen innovative start-ups, including assets. In particular:
 - o refinances the “Smart & Start Italia” measure of EUR 100 mln for 2020, allocating resources to subsidized loans for start-ups;
 - o allocates EUR 10 mln for 2020 for non-refundable grants to innovative start-ups aimed at the acquisition of services provided by incubators, accelerators, innovation hubs, business angels and other public or private entities operating for the development of innovative companies;
 - o the refinancing of the venture capital support fund with EUR 200 mln for 2020;
 - o reserves a share of EUR 200 mln euros of the resources already allocated to the Guarantee Fund for small and medium-sized enterprises, to the issue of guarantees in favor of startups and innovative SMEs.

The “Recovery” decree also intervenes on the problem of late payments to companies by public administrations, establishing a Fund, with a budget of EUR 12 billion for 2020, to ensure an advance on liquidity destined to the payment of certain commercial debts, liquid and collectable from Regions, autonomous provinces, local bodies and entities of the National Health Service.

Support to specific sectors

- *Transport*: Support to railways (reduction of rent for infrastructure), airlines and ports, in particular for Italian stations, and a fund for local public transport. Pilot program for a mobility voucher to support sustainable transport (e.g. 60% contribution to buy bicycles); introduction of reimbursement for commuters using sustainable transport and for transport passes during the lockdown; reduction of highway fees.
- *Publishing industry*: tax credits for advertisement and expenses incurred in 2019; a flat contribution of EUR 500 for newspaper kiosks; better conditions on VAT reimbursement for 2020. *Sport*: suspension of rents and concessions for sport associations until June 2020; possibility to renegotiate concessions for 2020; reduction of related rents over March-July 2020. A share of bets-revenues related to sport activities will be used to support the whole sector.
- *Agriculture*: EUR 500 million emergency fund for 2020 to support agricultural subsectors affected by the crisis (e.g. due to the reducing in export of fresh

- products).
- *Tourism*: EUR 50 million Fund for Tourism to support purchase and restructuring of immovable properties used for tourism; EUR 30 million fund to promote tourism in Italy; EUR 50 million fund to comply with the safety protocol for tourist activities (“Recovery” decree); tax exemption for hotels and other touristic buildings and for bar and restaurants for temporary occupation of public soil.
 - *Additional* EUR 150 million for Made in Italy and some simplifications
 - *Education*: Contributions for remote education (EUR 85 million). Fund for universities (EUR 50 million) to be allocated through a (MIUR) decree. A EUR 350 million allocation to help exporting firms (Law Decree n. 9/2020). The “Recovery” decree allocates additional resources for education: i) for universities and national research institutes, including the additional recruitment of 4,000 researchers; ii) for the school system and to ensure safe conditions for education, including for hygiene (EUR 330 million).
 - *Culture*: a special fund of EUR 225 million for book shops, publishing industry and and cultural activities. A special fund of EUR 100 million for museum.

Territorial cohesion

- Higher thresholds for subnational governments to provide support to firms and exemptions from some accounting rules and deadlines to free up room for measures of fiscal stimulus.
- A fund of EUR 3.5 billion to be divided among regions, provinces and cities to fulfil their basic functions in the current exceptional context.
- An increase of the solidarity fund (EUR 400 million) to reduce inequalities across cities

Other

- The Italian Government declared the National State of emergency for allowing the Civil protection to take the necessary measures to counter the Coronavirus outbreak (31st of January) until 31th of July.
- Since 12th March to 3rd of May it legislated a nationwide restriction on public gatherings and the lock down of all commercial activities providing not necessary and essential goods and services. The essential public services remain guaranteed including public utilities, transport, postal, banking, financial and insurance service, as well as agro-industrial activities and those sectors providing intermediate goods and services to the above-mentioned activities.
- Since 14th of April some retail businesses have been opened: bookshops, stationers, children’s and infants clothing products, personal hygiene, home hygiene, perfumeries, computers, electronics spare parts, specialized medical products and orthopaedic products, optics, photography, laundries and hardware stores.
- Starting from May 18th, most of economic, productive, and social activities are resuming, in compliance with protocols and/or guidelines aimed at preventing or reducing contagion. Strict guidelines remain in place, from social distancing to the obligation to wear masks in closed spaces and on public transport, along with a ban on gatherings.
- Starting from June 3rd, no limitations are set for trips within the country, including between different regions, and to/from other countries within the European Union and the Schengen area. Measures already adopted postponing civil, penal and administrative trials are extended until July.
- Restoration of jail situation (after disorders), such as home jail for inmates with less than 18 months sentence.

- Measures for food provisions for the poor (EUR 400 mln).

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The government **adopted** the measures below:

- Expenditure measures
- **Strengthening of the public health sector** (buffer of up to EUR 100 million). This provision aims to strengthen health services by supporting spending and investment in: (i) employment of additional medical staff, (ii) enhancing of equipment and infrastructure, (iii) enhancing ambulance services, (iv): centre of testings (Institute of Neurology and Genetics) and (v) helpdesk services. Some of this could be requested under *CRII*.
- **Income support to affected workers** '*Special Plan for suspension of business*' (EUR 252 mn disbursed for the partial and full suspension schemes over the period 16/03-12/06/2020). The scheme provided wage compensation to the employees of the businesses that were forced to suspend their operations (or /experiencing at least 25% decline in their turnover compared to the year before due to the Covid-19 pandemic) by a decree of the Minister of Health and/or a decision of the Council of Ministers.
Businesses of which operations are directly related to the above mentioned businesses experiencing at least 80% loss of their turnover due to the Covid-19 pandemic are also eligible. An important requirement is that businesses taking part in the scheme shouldn't have dismissed any employee as from 1/3/2020, for the period that the company is in the scheme and an additional period equal to the period the company benefits from the scheme plus 1 month.
- As of mid June, the partial suspension of business scheme is discontinued, and two new targeted schemes take effect, namely a 'Special Scheme for Hotel Units and Tourist Accommodation', and the 'Special Scheme to Support Businesses' related to the Tourism Industry or businesses directly affected by Tourism or associated with Businesses that are subject to Mandatory Total Suspension. The total expected budget costs of the income support schemes to affected workers amounts to about EUR 500 mn in total.
- **Self-employed workers support Scheme** 'part of the Special Plan for suspension of business' for the period March 16, 2020 to April 12 (EUR 33mn over the period 16/03-12/06/2020 – the scheme is not extended). This will take the form of a special unemployment allowance. This excludes certain categories, inter alia, supermarkets, doctors, pharmacies. Estimates indicate that 40,000 self-employed workers will be able to benefit from the scheme.
- **Special Absence Leave** (actual disbursements of EUR 17.81 mn over the period 16/03-12/06/2020 – the scheme is not extended beyond). Subsidised leave to parents working in the private and public sector, when schools, private or public, nurseries, childcare or other educational institutions are suspend their operations. Estimates is based under the authorities working assumption of 50.000 recipients during one month. It is possible that this measures will last for more than 1 month – as schools could stay closed for longer.
- **Special support allowanve for the self-employed** (EUR 4 mn).
- **Subsidised sick leave related to the coronavirus measures** (EUR 45 million for

three months). This measure will compensate individuals in quarantine and vulnerable workers (estimated number of recipients of 20,000 employees).

- **Overseas Student Allowance** (EUR 15 million). A EUR750 allowance is provided to cover the costs of students attending university overseas so they do not return to Cyprus during Easter.
- **Subsidisation scheme for small enterprises and self-employed.** As of mid-June, EUR 100 million (0.5% of GDP) is earmarked for **direct funding (one-off grants) to small and very small companies and the self-employed** in order to cover part of their rent and operating costs.
- **Interest subsidy scheme** for new loans for businesses and the self-employed, as well as for household house purchases¹. According to preliminary estimates by the MoF, the subsidy cost would amount to EUR 180 million for businesses and another EUR 45 million for household's loans (house purchases) for a four-year period starting from 2021 until 2024.
- **Tourism Support.** Additional budget (EUR 11 million) for the implementation of actions to support tourism between June and September 2020, in cooperation with Airlines and Travel Organizers, as well as actions to enhance initiatives to attract tourists during the period October 2020 - March 2021. Co-promotional program with tourist agents for the projection of Cyprus as a safe destination for tourists (10 mn).
- **Special plan for the agriculture sector:** Temporary suspension of fishing activities as a specific measure to mitigate the possibility of the spreading COVID-19 (€10 million)
- **Repatriation scheme** (EUR 6 million)

- *Tax measures (distinguish tax deferrals from other measures)*
 - **Suspension of the increased contributions to the NHS** (cost of EUR 52.5 million). This measure will delay the increase of NHS contribution originally planned in April 2020 by three months, for employers, employees and the state, in order to support the disposable income of employees, self-employed and lower business cost. The estimated net cost is at about EUR52.5 million of the foregone extra contributions from private sector employers, pensioners and employees. The timetable for the implementation of Phase 2, due to start in June 2020, of the NHS is delayed by three months at least.
 - Extension by one month of the submission period for objections to social security for self-employed persons until 30 April 2020 (expires 31 March 2020).
 - **Tax credit for voluntary rent reduction.** Income Tax Law amendment for the grant a tax credit equivalent to 50% of the reduction granted to the amount of rent (rent reduction between 30-50%). Valid for any three months in the tax period of 2020. Cost is estimated at EUR 47 mn in 2020.
 - **Reduced special VAT rate** from 9% to 5%, for tourist accommodations and restaurants as of July 1 and continuing to January 10, 2021. The estimated cost is EUR 15 mn.

¹ The scheme will cover loans taken between 1 March to 31 December 2020. It will also subsidise interest on mortgages (below EUR 300,000 million), under conditions. During the first two years the interest rate will be subsidised to up to three percentage points; for the third and fourth years, the subsidy will be at two percentage points for SMEs, and 1.5 percentage points for large corporates.

- Tax deferral/liquidity provision
- **Temporary suspension of VAT payments** [liquidity measure of EUR 300 million]. All suspended obligations will be paid back with a delay, by 10th November 2020. Note this could have a major impact on financing needs in the short term.
- The government agreed to the following **three lending schemes**, in cooperation with the EIB, amounting to up to 1.7 billion (or about 8.5 % of GDP):
 - increase by €500 million, or about 2.5% of GDP, of the existing credit line of loans to SMEs and mid-caps available under the so-called ‘*Cyprus Banks Loan for SMEs and Mid-Caps*’ Scheme, the instrument for Multi-Beneficiary Intermediated Lending (MBIL) of the European Investment Bank (EIB). The scheme was set up in 2014².
 - Up to of EUR 800 million of loans to SMEs, (or about 4% of GDP) through an extended lending capacity of the *Cyprus Entrepreneurship Fund (CYPEF)*, a joint venture between the EIB (European investment Fund) and Cyprus which was already implemented since 2015³.
 - Participation in the Pan-European Guarantee Fund. Cyprus is expected to draw €300-€400 million for SMEs, or about 1.5-2% of GDP. All loans schemes will have clauses to protect jobs. Contributions to the Guarantee Fund will take the form of guarantees (unfunded obligation).
- **Liquidity measures to support airports** and mitigate the impact of the COVID-19 pandemic at Larnaca and Paphos Airports (above EUR 70 mn in 2020-2021)
- **Special arrangements for those involved in the Settlement of Overdue Taxes.** Based on legislation adopted in 2020 (N11(I)/2020) and entered into force from 14/2/2020, for taxpayers that have been included in the Settlement of Overdue Taxes and for those who are eligible to join by 30/6/2020 it was arranged that failure to pay up to 5 instalments (out of 3 previously applicable) would not lead to the cancellation of the right to this settlement.
- **Temporary suspension for income tax return for submission for companies and self-employed** with accounts or obliged to submit a statement with notification issued by the Tax Department
- **Applications for VAT or corporate tax refunds will be processed as soon as possible** in particular to the businesses most affected (e.g. restaurants, hotels, tour operators, self-employed, etc.)
- **Advance payment of VAT** by certain categories of taxpayers in the interest of the national economy (e.g. supermarkets, pharmacies).
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
- (as mentioned above) Tourism Support. Additional budget of EUR 11 million for the implementation of actions to support tourism between June and September 2020, in cooperation with Airlines and Travel Organizers, as well as

² Eligible are companies registered and operating in Cyprus and employing up to 3,000 staff. With MBILs, EIB provides a loan to a financial intermediary which commits to finance a similar portfolio of SMEs and midcaps for at least twice the amount of the EIB loan. The credit risk on the loans to final beneficiaries remains with the financial intermediary.

³ The liquidity will be allocated through the commercial banks. Contrary to the MBILs, local banks share with CYPEF the portfolio risk. The state provides guarantees for 50% of the amount of the portfolio credit risk. SMEs employing up to 250 people will be eligible beneficiaries of this fund, or about 95% of all businesses in Cyprus.

actions to enhance initiatives to attract tourists during the period October 2020 - March 2021.

- Other
- Introduction of ceilings on the prices of personal hygiene products (masks, antiseptics, antibacterial liquids, soaps, etc.) to counter the effects of profiteering.
- Extension of the requirement to submit the necessary supporting documents for 3 months for those who have already applied for the ESTIA Scheme.
- Decision to Cyprus Energy Regulatory Authority (CERA) for a universal reduction of the electricity tariff by 10% for a period of 3 months.
- **Freezing of loan's repayment** (decree voted on 29.02.2020). For nine months, loans' capital and interest payment is postponed, while interest is compounding in the meantime. [voted on 29/3]. Given the approval from the European Banking Authority any debt not served in the next nine months is not considered as NPL.
- **Ceasing of foreclosures** (3 months) and **house eviction** (2 months)
- **Temporary suspension of the process of foreclosures by KEDIPEs** for a period of 3 months. Also from banks – Announcement of the Association of Cyprus Banks.
- **Forbearance of calling in guarantees** under public and private contracts for the supply of services or products that will be delayed by the crisis. The freezing on the calling of guarantees would also benefit the government when it is a guarantor.
- **Banking sector measures decided by the ECB.** Measures concern the release of capital reserves, which for the Cyprus systemic banks are estimated by the CBC in excess of EUR 1.3 billion.
- **Banking sector measures decided by the Central Bank of Cyprus.** It is considering further local measures which will be expected to be announced by the Governor of the Central Bank. Already, the Central Bank issued a press release on its suggestions to the Commercial banks for temporary freezing of foreclosures, for temporary allowing for loan restructurings and temporary easing of lending. The Cyprus Asset Management Company (government owned) has already adopted these.

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- Expenditure measures
 - Healthcare: EUR 84.5m granted for purchases of protective gear, laboratory equipment, medical supplies, premium for medical personnel. Individual protective equipment and disinfectants for state institutions and local governments.
 - An allowance for idle employees (incl. self-employed) for 75% of prior wage (capped at EUR 700 per month, but no less than EUR 180 and a supplement of EUR 50 a month for a dependent child). Employees and self-employed not qualifying for the allowance receive downtime payment of EUR 180 per month and a supplement of EUR 50 a month for a dependent child. This assistance will be provided until 30 June 2020. EUR 42.8 million paid in allowance by 30 June 2020. Additional EUR 1.3 million have been paid out in downtime allowance and allowance for dependent children.
 - Sick leave payments from the 2nd day of leave are covered by state if related

- to COVID (in other cases first 10 days paid by companies as before) until 31 December 2020. Cost estimated at EUR 86.3 million.
- Local social assistance compensated by state (50% of the crisis benefit paid but no more than EUR 40 per person per month and a EUR 50 supplement for a dependent child). Cost estimated at EUR 4.3 million.
 - Unemployment benefit coverage extended to self-employed and micro-enterprise owners until 31 December 2020. Cost estimated at EUR 1.4 million.
 - A new flat-rate unemployment benefit payment (EUR 180 per month) extending the period of support for the unemployed for additional 4 months until 31 December 2020. Cost estimated at EUR 30.25 million.
 - Entitlements to the parental benefit expiring during the state of emergency are extended for the duration of the state of emergency. Cost incurred until 3 June 2020 EUR 0.5 million.
 - The benefit paid to a custodian for supporting a child has been increased by 50% during the emergency situation. Cost estimated at EUR 0.5 million.
 - The child care benefit for parents caring for 1.5 to 2 years old children has been increased from EUR 42.69 up to EUR 171 during the emergency situation. Cost incurred until 30 June 2020 - EUR 2.8m.
 - A one-off payment of EUR 150 has been granted to parents caring for children with disabilities. Cost estimated at EUR 1.2m.
 - A new allowance for unemployed specialists with recently acquired higher education has been introduced. The allowance will be paid up to 4 months (EUR 500 in the first two months and EUR 375 in the last two months) until 31 December 2020. Cost estimated at EUR 6.6 million.
 - Support for serving staff of religious unions (churches) of EUR 0.2m.
 - Premium for personnel of the Prison Administration Board of EUR 0.5m.
 - Tax measure
 - Deferral of tax payments up to 3 years on request by the company (costs EUR 236 million in 2020). Application for deferrals extended until 30 December 2020
 - Self-employed personal income tax advance payments deferred for 2020 (costs EUR 35 million in 2020).
 - Acceleration of excess input VAT refund procedure from 1 April (refunds within 30 days after submission of VAT return) (costs EUR 60m in 2020).
 - Decrease of administrative and financial restrictions for productions and circulation of ethyl alcohol used in the manufacture of disinfectants.
 - Local governments postpone real estate tax payment within 2020.
 - Corporate Income tax should not be paid for publicly announced donations of goods and services and the amount of tax- deductible donations is increased by 3 percentage points of the previous year's profit.. Both effective until 31 December 2020.
 - 50% of the vehicle operation tax payment for freight transport may deferred for one year.
 - No vehicle operation tax and company car tax shall be paid for the period when registration of a vehicle has been temporarily suspended.
 - Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - Through the State development finance institution ALTUM, companies are provided with working capital loans, credit guarantees and portfolio guarantees (up to EUR 915m).
 - Equity fund managed by the State development finance institution ALTUM will be launched shortly. The fund size is EUR 100m of which EUR 50m are

- public funds. Maximum investment is set at EUR 10m for a single company.
- EU Funds (EUR 387m) were reallocated between programmes and projects with a view of supporting the economic recovery. The money has been reallocated to the following programmes: strengthening the capacity of health care institutions (EUR 30m), providing working capital and assets to companies (EUR 35m), , promoting international competitiveness (EUR 17,8m), supporting employment and social services (EUR 63m), reskilling measures, adult learning and competence-based learning in general education schools (EUR 25,7 m), and to promote investments in transport sector (EUR 174,7m)..
- EIB stand-by loan arrangement for EU funds will be used for COVID-19 response (co-financing of EUR 400 million);
- National airline Air Baltic ceased most of the operations and dismissed 700 employees. In order to overcome the crisis, the Commission allowed the company to receive up to EUR 250m in share capital.
- State Stock Company Latvian Air Traffic received EUR 6m from the government as increase of the equity capital, supporting the sector in the downturn.
- State Joint Stock Company "Rīga" airport will receive EUR 49.9m in equity capital. Also the company can use its profit earned in 2019 to cover the losses caused by the COVID-19 crisis by not paying dividends (EUR 4.5m) to the government in 2020. Both measures can be implemented after Commission decision.
- Borrowing limit of local governments is increased by EUR 150 million for the implementation of EU projects in 2020.
- Support for public and commercial mass media of EUR 2.5 million.
- Support for affected agricultural, fisheries and food production sectors and school catering of EUR 45.5 million (includes EUR 10m for existing support measures: EUR 5m for the partial repayment of interest rates and EUR 5m for the partial costs of insurance policies).
- Farmers in need of additional current assets to lessen negative impact of COVID-19, are eligible to advance payment of the single area payment as a short-term interest-free loan.
- Support for affected fisheries and aquaculture sectors with co-financing of the European Maritime and Fisheries Fund up to EUR 12 million, if production and sales is affected.
- Spending on road works increased by EUR 75 million.
- Established national research programme for research in the fields of health, engineering solutions, society and the economy EUR 5 million.
- Support for the cultural sector as aid to museums to cover losses. Cost estimated at EUR 10.6 million. The economic recovery measures of EUR 671m announced for 2020-2021. Includes investment support for businesses (EUR 223m), research and education (EUR 63.5m), health infrastructure and service provision (EUR 120m); subsidised work programme (EUR 20m).
- Public entities and SOEs shall exempt or reduce lease payments and / or release tenants (merchants and other economic operators, associations, foundations) from the imposition of late interest and contractual penalties in the case of a late payment for tenants affected by the crisis..
- The Financial and Capital Market Commission (FCMC) applies flexible approach in assessment of progress in reaching targets set in high NPL banks' strategies.
- FCMC uses flexibility embedded in regulation to provide banks with relief to

- support customers facing difficulties due to COVID-19 impact.
- FCMC will extend deadlines for submission of capital conservation plans in case breach of combined buffer requirement occurred after the outbreak of the pandemics.
- FCMC sent a letter to banks advising to cancel or postpone payouts of dividends.
- The majority of Latvian banks have joined a temporary moratorium for loans following the EBA Guidelines (EBA/GL/2020/02). The moratorium postpones payments of principal for residential mortgage loans up to 12 months, consumer loans, leasing and loans to businesses (limit exposures up to EUR 5m) – up to 6 months for performing customers affected by COVID-19.
- Other
 - All temporary measures related to the pandemic are legislated in a single law, in order to ensure fast allocation of financing.
 - The deadline for submission of companies' 2019 reports postponed by 3 months.
 - Centralised purchase of personal protective equipment and medical devices for three months period by the National Defence and Military Objects Procurement Centre.
 - The National Armed Forces ensures the logistic support by transportation and issuance of purchased goods to the institutions.

LT



- Expenditure measures
 - Health and Public Security. EUR 500 million allocated for acquisition of personal protection equipment, reagents, medical devices and to ensure the financing of additional health care costs, etc. Additional compensation and social benefits for medics and other staff exposed to and infected with the COVID-19 virus.
 - Unemployment benefits and other social benefits. EUR 1.5 billion allocated:
 - for maintaining jobs. As the Government declared a state of emergency and quarantine which prevents some employers from providing the contracted work to their employees, employers have the right to declare downtime or partial downtime. During downtime, employees are paid at least the minimum wage. The amounts of subsidies are 90% of an employee's accrued salary, but not more than EUR 607 gross, or 70% of an employee's accrued salary, but not more than EUR 910.5 gross. Employers who have benefited from the subsidies will also have to keep at least 50% jobs for at least 3 months from the end of the payment of the subsidies;
 - to ensure payments of EUR 257 per month for the affected self-employed who paid social insurance contributions for at least 3 months in the past year and, due to emergency, cannot further carry out their activities as well as to enhance social protection of artists;
 - for training grants of 0.39 minimum monthly salary to unemployed persons when a declared emergency or quarantine results in the suspension of the training provider's activity where the unemployed registered with the VET program;
 - to ensure payment of sickness benefits to persons taking care of children, elderly people and people with disabilities who are not allowed to attend day-care centres, nurseries, schools, etc. (65.94% of their gross salary), as well as persons with chronic diseases who are affected by the virus mitigation measures taken by the government (62.02% of their gross salary).
 - The government, after receiving an approval from the European Commission,

adopted several state aid schemes to help businesses cover immediate working capital needs.

- The government allocated additional EUR 250 million to speed up the implementation of some state investment projects.
 - Post-quarantine package. Special aid and support measures (up to EUR 1 billion) were approved for employees, the self-employed, people who lost their jobs and employers *after* quarantine (entered into force on 15 May). Most of these measures will be applied temporarily, until the country succeeds in recovering from the shock of the COVID-19 pandemic:
 - employers will be able to receive subsidies for retaining employees for another six months after quarantine (the amounts of the subsidies in the first-second month can be as high as 100% of the salary calculated for the employee, in the third-fourth month – 50%, in the fifth-sixth month – 30%, but not more than EUR 607 gross), self-employed persons will receive a benefit of EUR 257 two months after quarantine, people who have lost their jobs will be able to receive a temporary jobseeker's benefit even if they are not currently entitled to unemployment benefit.
 - in addition, the self-employed who decide to change their economic activity will receive one-off subsidy of around EUR 7 thousand;
 - an apprenticeship contract will allow the employer to hire an employee, train him or her in practical and theoretical professional knowledge, and receive the reimbursement for 70% wage from the Employment Services, but not more than EUR 910.5 gross. In addition, the wage of the master craftsman appointed by the employer will also be partially reimbursed, but not more than 20% and not exceeding the minimum hourly wage rate;
 - the government will pay subsidies (of up to EUR 18.8 thousand) for the establishment of workplaces in very small enterprises and regions with higher unemployment, and for the promotion of apprenticeship and vocational training.
 - As a part of the post-quarantine package, the government also approved one-time payments of EUR 120 for children or EUR 200 for children with disabilities, from large families and low-income families and EUR 200 to recipients of old-age pensions, disability pensions and other social insurance pensions.
 - In order to receive social assistance payments, applicant's property will not be taken in to account for 6 months after the cancellation of emergency situation and quarantine, only personal income.
- Tax measures
 - Deferring or arranging the taxes in instalments according to agreed schedules without interest to be paid;
 - Stopping the tax arrears recovery actions in accordance with the criteria of reasonableness;
 - Exemption of the taxpayers from fines, default interest for failure to comply with tax obligations on time;
 - Postponement of submission (and payment of) personal income tax returns and advance corporate income tax returns;
 - Postponement of submission (and payment) of advance corporate income tax returns;
 - Relief from import duties and VAT exemption on importation granted for goods needed to combat the effects of the COVID-19 outbreak pursuant to the

- Commission's decision C(2020) 2146 final of 3 April;
- Income taxation for low and middle wage earners was reduced by increasing the maximum annual non-taxable amount of income for 2020 (from EUR 4200 to EUR 4800) (adopted on 23 June, 2020).
 - Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - From 1 April, the Bank of Lithuania released the countercyclical capital buffer of EUR 86 million. The recommended Pillar II Guidance (P2G) requirement has temporarily been waived. Both measures will increase the lending potential of up to EUR 2 billion in loans to businesses and residents.
 - Credit institutions have signed a moratorium which allows: private clients, without changing the terms and interest rates of their contract, to postpone their mortgage loan repayment for up to one year and leasing and consumer credit – up to half a year, and business companies to postpone loan payments for up to 6 months, without changing contract terms and interest rates (applies to business loans of up to EUR 5 million per group of companies). The moratorium was valid until 1 July 2020 and later has been extended until 30 September, 2020.
 - The government increased the capacity of the state guarantee funds (Agricultural Credit Guarantee Fund and INVEGA) by EUR 500 million.
 - The government decided to ensure additional state guarantees amounting up to EUR 500 million. This is expected to turn into a fund that will invest through debt and equity instruments in medium-sized and large enterprises active in Lithuania affected by the COVID-19 outbreak.;
 - EUR 265.5 million of EU investment funds have been reallocated to health, employment, business and tourism sectors for the mitigation of the COVID-19 impact.
 - On 5 May, the government approved measures for support of SMEs liquidity (EUR 1.2 billion), agriculture sector liquidity and access to financial services (EUR 52 million), tourism sector liquidity (EUR 31 million) and promotion of tourism sector (EUR 14 million).
 - Changes in national regulations to speed up the use of EU funds (target value – EUR 1.7 billion).
 - The government enabled full use of the Climate Change Programme (EUR 18 million), Road Maintenance and Development Program (EUR 142 million) and decided to accelerate the program for renovation of multi-apartment buildings (EUR 90 million).
 - Government will provide short-term loans to municipalities and reimburse emergency management costs which were a result of central government decisions. Municipalities will also be able to have higher budget expenditures than earlier approved – EUR 30 million for small municipalities and EUR 10 million for big municipalities.
 - Recommendation to municipalities to allow inhabitants pay for utilities in instalments or postpone the payments as well as to exempt the taxpayers from taxes levied on business property and land. However, formalisation of this recommendation is missing.
 - On 10 June the government approved Lithuania's Plan for the DNA of the Future Economy prepared by the Ministry of Finance which will create conditions for a qualitative transformation of Lithuania's economy, balanced development and development of innovative, high value-added business. Following the public debate, the plan for long-term investment to stimulate the

economy was supplemented by new measures, mainly with human capital as well as research and innovation projects. The Plan identifies five priorities which will focus on human capital, digital economy and business, research and innovation, economic infrastructure, climate change and energy. The total amount of long-term investment to be implemented by the end of 2021 will amount to about EUR 6.3 billion, of which new and additional investment will make up EUR 2.2 billion (new investment in the original proposal amounted to EUR 1.8 billion) and the remaining EUR 4.1 billion (EUR 4.5 billion in the original proposal) – accelerated already planned investment.

- Other
 - To control the spread of the COVID-19, the government decided to declare quarantine in the entire territory of the Republic of Lithuania. This was effective from 16 March 2020 until 16 June 2020. A state of national emergency remains in place. This implies that some restrictions regarding border crossing, economic activity (mainly about maintaining a safe distance and allowing a certain number of participants or spectators) and public and administrative services (mainly requirements for public health safety, hygiene and the use of necessary personal protective equipment) are still applicable.
 - As of 16 July there might be certain isolation conditions imposed on foreigners arriving from outside the European Economic Area, the Swiss Confederation and the UK. This means that isolation will be possible for a wider range of foreigners from countries other than those on the list of countries affected by coronavirus infection. The list of countries affected by coronavirus infection from which persons are considered to have been in contact with patients with coronavirus infection is approved by the Minister of Health. Such persons are subject to mandatory 14-day isolation in accordance with the procedure established by law. The list is updated on a weekly basis, taking into account morbidity rates in different countries.

LU



As of 12 June, Luxembourg has presented two economic packages to address the consequences of the COVID-19 crisis. On 25 March, the Government presented a stabilisation package, worth EUR 10.4bn in total (as of 29 April). On 20 May, the Government presented the “Restart Luxembourg” package, worth EUR 700-800m, aimed at supporting the most affected companies, maintaining employment and fostering an ecological recovery during the exit strategy.

Stabilisation package (figures as of 29 April):

- Expenditure measures
 - Additional expenditures in the context of health and crisis management, notably for the procurement of medical equipment and infrastructure (up to EUR 194m). Medical teleconsultations to be reimbursed.
 - In order to ease the burden on general practitioners, upstaffing of “*maisons médicales*” and establishment of four regional centers designated specifically for COVID-19 patients.
 - Wide range of available direct aid schemes to companies remained fully available.
 - New aid scheme introduced to support SMEs in temporary financial difficulties due to exceptional and unpredictable events (such as the current COVID-19

outbreak), providing repayable advances of up to EUR 500 000 (estimated impact: EUR 400m).

- Companies with less than 10 employees, forced to cease their activities under the state of emergency, may receive tax-free lump-sum grants of up to EUR 5 000 (estimated impact: EUR 50m). At the end of April, additional financial support was decided for businesses forced to cease their activities under the state of emergency or experiencing a significant loss in turnover (EUR 5 000 for companies with less than 10 employee and EUR 12 500 for companies with 10-20 employees).
- Tax free lump-sum grant of EUR 2 500 to self-employed professionals (estimated impact EUR 27.5m). A complementary tax free grant between EUR 3 000 and EUR 4 000 was implemented with broader eligibility criteria (adopted after 29 April).
- A financial aid for professional journalists of EUR 5000 (adopted after 29 April).
- Financial support for COVID-19 related R&D and investment aid for production of articles relevant to the fight against COVID-19 (e.g. protective masks). Targeted support for start-ups through an increase of the co-funding rate and a call for project to address the consequences of COVID-19 (estimated impact EUR 34m).
- Simplified procedures for requests for special leave for family reasons due to school closures, including one-off special advance payment to companies to reimburse for costs (estimated impact EUR 222m).
- Financial aid of EUR 1000 euros for students facing acute financial problems (adopted after 29 April).
- Financial support measures for cultural professionals (estimated impact: EUR 2m).
- Widening of eligibility criteria and increase of financial support under means-tested housing subsidies for rent.
- Self-employed medical professionals can apply for a temporary job contract as civil servants.
- As of 1 April, health insurance covers 100% of sickness leave payments from the first day of leave to provide liquidity support for employers and avoid income loss for employees (estimated impact: EUR 104m).
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- *Tax measures (up to EUR 4.5 billion to be deferred)*
 - Possibility for companies to request cancellation of Q1 and Q2 2020 corporate tax advance payments and may ask for the deferral of payments due after 29 February, without late payment penalties.
 - Deadline for filing corporate and personal income tax returns was extended to 30 June 2020.
 - Outstanding VAT credits below EUR 10 000 have automatically been reimbursed during the week of 16 March. Penalties for the late submission of VAT and other declarations were waived (estimated impact: EUR 300m).
 - Bilateral agreements with France, Germany and Belgium regarding the taxation of cross-border workers resorting to telework in the context of the current crisis.
 - Increase of tax allowance in tax year 2020 for domestic services (e.g. cleaning personnel), assistance/care services and childcare services.
 - Additional flexibility from 1 April by the “*Centre commun de la sécurité sociale*” for companies’ payments of social contributions, notably through a temporary waiver on late payment fees and forced recoveries of late payments.

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

Labour measures

- Expansion of short-time working scheme (“chômage partiel”) to all companies affected by effects of the current crisis, with 80% of employee’s salary being reimbursed through the “Fonds pour l’emploi”, floored at minimum wage and up to a level of 250% of minimum wage (estimated impact: EUR 989m).
- Simplified online procedures in place for companies requesting “chômage partiel”. Accelerated process through the introduction of advance payments.
- Strengthening of protection against dismissals for workers on sickness leave and all workers in companies claiming “chômage partiel”.
- Automatic extension of trial contracts in companies claiming “chômage partiel”.
- Automatic extension of unemployment benefits by the duration of the state of emergency (emergency impact: EUR 10 million).
- Temporary, conditional derogations to labour law for essential sectors, notably to increase maximum limits of daily and weekly worktimes and to allow for the possibility to cancel or refuse annual leave.
- New online platform (“JobSwitch”) to connect unemployed persons, workers on short time and self-employed professionals to companies in need of labour.

Loan facilities & loan conditions

- Commitment by Luxembourg banks to offer a 6-month moratorium on loan repayments for SMEs, self-employed and liberal professionals.
- New loan facility by SNCI in collaboration with commercial banks, with an envelope of up to EUR 700m.
- Relaxation of repayment terms for SNCI loans and credits.
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Guarantees

- New loan guarantee facility of EUR 2.5bn, with the State providing a guarantee of 85% on credit lines granted by select banks between 18 March and 31 December 2020.
- New “SME Guarantee” of EUR 200m by SNCI to provide guarantees for obtaining new working capital lines from banks active in corporate financing.
- Companies with cash flow difficulties can request guarantees from “*mutualités de cautionnement*”.
- Use of “export guarantees” provided by the Office du Ducroire to support companies to develop their activities on international markets has been extended. Draft law to be tabled to Parliament to increase the amount of guarantees provided by the Office du Ducroire to EUR 500m.

Sectorial

- Temporary suspension of refunds for cancelled package holidays in support of travel agents.
- Suspension of registration fees for the digital sales platform “Letzshop.lu” in 2020.

“Restart Luxembourg” package:

Expenditure measures

- A Recovery and Solidarity Fund worth EUR 200m will be set up for a period of 6 months (1 July to 31 December) to support companies and independent professionals in the hospitality, events and tourism sectors, fitness centres and

similar activities. The Fund will provide lump-sum, tax-free grants to eligible companies worth EUR 1 250/month per working employee and EUR 250/month per employee in a short-time work scheme. To be eligible, companies must (i) have restarted their activity and (ii) have had a turnover loss of at least 25%. Companies may not dismiss more than 25% of their FTEs. Support is capped at EUR 10 000/month for companies with less than 10 employees; at EUR 50 000/month for companies with 10-49 employees; at EUR 100 000/month for companies with 50+ employees.

- Regressive grants for the in-store retail sector (except food stores) with less than 250 employees to help restart activities (EUR 1 000/employee in June, EUR 750/employee in July, EUR 500/employee in August – capped at a total of EUR 50 000/month).
- To create incentives for investment into projects of economic development, digitalisation or environmental protection, an investment support of up to 50% of eligible costs (capped at EUR 800 000) has been created.
- Doubling of the cost-of-living allowance (“allocation de vie chère”) for 2020.
- As of 25 May, the scope of the special leave for family reasons was extended to parents of children who were required to stay at home due to organisational reasons under the education system’s exit strategy (cf. below).
- New “congé pour soutien familial” to care for disabled and elderly people in need of care during the state of emergency.
- The maximum duration of financial support for higher education studies has exceptionally been extended.
- Several measures to promote a green recovery:
 - (i) 50% increase of subsidies granted for promoting sustainable energy renovation of buildings
 - (ii) 25% increase of subsidies granted for promoting heating systems based on renewable energy sources
 - (iii) 60% increase of subsidies granted for promoting the purchase of electric cars and vans (from EUR 5 000 to EUR 8 000)
 - (iv) doubling of subsidies granted for promoting the purchase of electric vehicles other than cars
 - (v) new subsidy programme for individuals to install electric charging stations
 - (vi) temporary compensation for the administrative burden related to programmes supporting energy efficiency in the private sector
 - (vii) enlargement of the scope of beneficiaries of aid for solar energy installations above 30kW
- Extension of the aid scheme for SMEs in temporary financial difficulties due to exceptional and unpredictable events, providing repayable advances of up to EUR 500 000 for four more months until 15 September (cf. above).
- Extension of the measure by which health insurance covers 100% of sickness leave payments from the first day of leave to provide liquidity support for employers and avoid income loss for employees until the end of the state of emergency (cf. above).
- Extension of 100% coverage of sickness leave benefits until the end of the state of emergency.

Tax measures

- Tax relief for landlords who waive a share of the rent owed by tenants during 2020 to encourage rent reductions (capped at EUR 15 000).

Suspension of the default interest on overdue social security contributions until 31 December 2020.

Labour measures

- More targeted approach under the short-time work scheme:
 - (i) The industrial sector will remain eligible for the short-time work scheme for cyclical reasons, as it was prior to the COVID-19 crisis.
 - (ii) All companies affected by the sanitary crisis remain eligible for an accelerated procedure under the short-time for scheme for structural reasons until 31 December 2020. Different restrictions in terms of dismissals apply, depending on the sector.

Sectorial

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

Regulatory

- Non-commercial rents may not be raised until 31 December 2020.

Other measures (in addition to the above packages):

Expenditure measures

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

Regulatory measures

- Possibility to hold shareholder meetings by remote vote, proxy or videoconference has been introduced. Board meetings may also be held without physical meetings.
- Temporary derogations to the accounting law for companies, notably to extend the deadlines for filing and publishing accounts.
- Suspension of the obligation to make an admission of cessation of payments

- leading to bankruptcy.
- Employers that are allowed to perform their activities must take all the necessary measures to protect the health of their employees, notably by ensuring social distancing and making protective gear available.

Sectorial

- The CSSF has issued recommendations to supervised entities to facilitate work-from-home solutions, whenever possible, subject to appropriate IT security conditions. The CSSF reiterated this recommendation in the context of the exit strategy, noting that the return to the workplace should be limited to a minimum
- In line with increased flexibility by the ECB for “significant institutions”, the CSSF applies same flexibility for “less significant institutions”.
- The CSSF has launched a weekly questionnaire to investment fund managers to receive regular updates on financial data (total net assets, subscriptions and redemptions) and governance arrangements.
- The insurance regulator (CAA) has temporarily suspended the deadlines on non-judicial dispute resolutions with insurance companies.
- The CSSF and CAA have provided flexibility as regards reporting deadlines in several areas.
- Automatic extension of elapsing construction permits by a year following the end of the state of emergency.
- Authorisation of heavy-duty transport on Sundays and temporary suspension of training obligation for professional truck and train drivers in order to ensure the transport of goods.
- Several measures to support the agriculture sector were adopted on 12 June:
 - (i) A lump-sum grant between EUR 2 500 and 5 000 for businesses affected by the COVID-19 crisis
 - (ii) Start-up aid for small farm-businesses that market local, seasonal and organic agricultural products
 - (iii) Support measures will be tailored to better address environmental challenges
- Several measures to support the audiovisual sector were adopted on 12 June.
 - (i) A repayable advance up to EUR 250 000 based on the aid scheme for SMEs in temporary financial difficulties due to exceptional and unpredictable events (as introduced by the stabilisation package), with criteria adapted to the particular needs of the audiovisual sector.
 - (ii) A lump-sum grant of up to EUR 10 000 to provide further liquidity support and compensate for incurred losses.
 - (iii) Temporary waiver of the obligation to refund financial support granted prior to the COVID-19 crisis in case the project is not finalised

Public finance management

- Parliament passed a law to extend the legal deadline for submitting the general account of the State.

- *Other*

Containment measures

- The state of emergency (“*état de crise*”) was declared on 18 March and approved by Parliament on 21 March for a period of 3 months.

- Movement on public roads by individuals was prohibited, except for a specified set of activities. Outdoor leisure activities (walking, jogging) were only allowed alone or together with persons from the same household.
- All gatherings are prohibited and all public events were cancelled until at least 31 July, with the exception of marriages and funerals with a maximum of 20 participants.
- All schools, universities and kindergartens were closed from 16 March until 3 May.
- All shops (except supermarkets, craft and gardening companies, pharmacies, laundries, banks, newsagents and petrol stations), as well as all bars, cafes, restaurants, nightclubs, swimming pools and libraries were closed, with possible fines in case of non-respect. Delivery, drive-in and take-out were authorised.
- Public services was reduced to tasks that are essential to the State's proper functioning and the management of the COVID-19 crisis.

Exit strategy

- On 15 April, the government presented its initial staggered exit strategy. In the first phase, starting on 20 April, construction sites, craft & gardening enterprises and stores, and recycling centers re-opened. On 4 May, final-year secondary classes and professional school have resumed. In a second phase, starting 11 May, the remaining secondary school students returned to classes. In a third phase, starting 25 May, elementary school, kindergartens and nurseries re-opened. Since May, a weekly rotation system between classes in the education sector is in place to minimise contact.
- The situation is continuously monitored, including through systematic testing, to inform decisions and adapt the strategy if necessary.
- The COVID-19 Task Force has developed a "Large Scale Testing Strategy" based on a voluntary diagnostic test, accessible to the population, as well as cross-border commuters. Travellers arriving at the Luxembourg Airport will receive a voucher valid for several days to be tested in a medical laboratory of their choice.
- As of 4 May, all medical activities have resumed and retirement and nursing homes permit visitors.
- On 11 May, the hospitality and retail sectors reopened under strict sanitary requirements.
- As of 15 June, the following restrictions apply, subject to fines in case of violation:
 - (i) Meetings (indoor and outdoor) with more than 20 people are allowed only if social distancing can be guaranteed and only with mandatory wearing of facial protective gear
 - (ii) Non-competitive sport activities (indoor & outdoor) may only take place without physical contact
 - (iii) As regards restaurants, a) no more than 10 people may be seated at any table; b) tables must be separated 1.5m from each other; c) wearing of facial protective gear is mandatory for staff at all times and for clients when not seated; and d) restaurants must close at midnight.
 - (iv) Indoor fairs are prohibited.
 - (v) The wearing of facial protective gear is mandatory in public transport and at any moment in which a social distance of 2m cannot be maintained – except for children below the age of 13. On 20 April, every resident has received a kit of 5 masks. On 5 May, a second distribution of 50 masks for each person aged 16 and every cross-border worker was decided.
- Employers, including the civil service are encouraged to continue to revert to

HU



- On 4 April, the authorities announced the creation of two funds, for a total of HUF 2,000 billion (4.3% of GDP):
 - o 1) an Economic Recovery Fund to the restart the economy and support the job market, amounting to HUF 1,345 billion (2.9% of GDP). It will be financed from (reshuffling of) existing budgetary chapters: HUF 922 billion from the ministries, and HUF 423 billion from the employment fund. The Economic Recovery Fund will partly finance stimulus measures.
 - o 2) an Epidemic Prevention Fund, amounting to HUF 663 billion (1.4% of GDP). It will be financed from: (i) budgetary reserves, (ii) extraordinary taxes of HUF 91 billion on taxes levied on multinational companies (HUF 36 billion) and the financial sector (HUF 55 billion), (iii) partial shift of car taxes for HUF 34 billion from municipalities/local governments to the central budget, and (iv) the compulsory repayment of half of the budgetary support to political parties. This Fund finances health-related expenditures, such as purchasing medical equipment, building temporary emergency hospitals (a container hospital), etc.,. It will also finance the salary increase of medical staff.
- Measures adopted so far include:
 - Expenditure measures
 - The Hungarian Tourism Agency allocated HUF 1 billion (0.002% of GDP) to cover damages in tourism.
 - The government until 5 June allocated and almost entirely spent HUF 597.5 billion (1.3% of GDP) for the medical emergency (purchasing additional medical equipment, supply and investments related to the pandemic).
 - All maternity leave benefits (GYED and GYES) are prolonged until the end of the state of emergency (HUF 9.4 billion or 0.02% of GDP).The government announced a wage supplement of HUF 500,000 due in June/July for health care workers, which will cost the budget around HUF 70 billion (0.15% of GDP). Also, nurses and health care professionals will receive a 20% wage increase in November (in line with the original budgetary plans), amounting to more than HUF 80 billion. The foreign language study visits will be postponed from 2020 to 2021.
 - A wage subsidy scheme (*Kurzarbeit*) that covers 70% of the amount of net wages lost because of shortened shifts (HUF 100 billion or 0.2% of GDP).
 - A wage subsidy of 40% of the wage for those who work in the R&D sector (HUF 23.5 billion or 0.05% of GDP).
 - Companies from more than 30 industries have applied for support intended to enhance competitiveness. 806 companies participate in the programme, which undertook to implement an investment of HUF 377 billion. The number of jobs has been retained so far is 143 620.
 - Companies can apply for job creating subsidy if they hire registered job seekers. The beneficiary employee can earn as much as HUF net 112,000 (HUF gross 200,000 including social contribution tax) through the programme for 6 months, then the company has to hire the employee for another 3 months on its own expenses. Size of envelope: HUF 80 billion. Aid intensity: 100%.
 - Families and pensioners will get extra backing, e.g. the 13th month pension will be gradually launched as of 2021 (in February 2021, in addition to the January pension, retirees will receive a one-week pension; this will happen in 2022, 2023 and 2024 as

well).

- Nearly HUF 2,000 billion in preferential loans to be introduced and a state guarantee worth more than HUF 500 billion will be added (Széchenyi Job Retention Loan, Eximbank's Compensation Loan Programme, MFB's Competitiveness Loan Programme, Agricultural Széchenyi Card, Garantiqa Crisis Guarantee Programme). The government will restructure part of the funds of Széchenyi Capital Fund Manager, Hiventures and Eximbank to protect domestic companies. New funds are also being launched: the Restructuring Sub-Fund is helping strategy firms in difficulty, and the Transaction Sub-Fund is enabling corporate and real estate acquisitions at home and abroad.
- Effectiveness increasing programme for SMEs by initiating high-tech and green developments. The only condition of the subsidy is that the beneficiary company has to keep 90% of the headcount of its employees had back in April 2020. Size of envelope: HUF 50 billion. More than HUF 128.1 billion in support requests were received. On 11 June a decision was made to increase the budget by another HUF 50 billion. Aid intensity: 70%.
- The Hungarian Defence Forces launched a 6 months long reservist programme in order to mitigate unemployment rate.
- 8 week long basic online IT course for anyone who applied until 22 May (62,000 people overall). Aid intensity: 100%.
- 194,396 registered job-seekers have received monetary support so far, the various job support schemes have protected 486,436 jobs.
- New culture subsidisation package is announced worth HUF 5.1 billion in consultation with the Hungarian Academy of Arts.
- Tax measures
 - Sectors that were severely hit by the pandemic (e.g. tourism, restaurants, entertainment venues, sports, cultural services, transportation, agriculture, aviation industry) will be exempted from paying social security contributions, payroll taxes and kiva (small business tax). The employee contribution will be lowered until 30 June.
 - Small businesses under the simplified small business oriented tax regime (KATA) in 26 activities (e.g. personal transport services, beauty services, dental services, accommodation etc.) are exempted from paying taxes, for the months of March-June 2020. This involves more than 81,000 small enterprises.
 - The tourism tax – a levy charged on accommodation providers based on the number of guest-nights – is temporarily cancelled until December 2020.
 - The tourism development contribution – a levy payable on food, catering and accommodation services – is temporarily cancelled until December 2020.
 - Employer's social security contribution tax rate will decrease by 2 percentage points from 17,5% to 15,5% from 1 July 2020.
 - Small business tax – a special cash-flow tax for small enterprises – rate will be reduced from 12% to 11% from 2021, benefitting about 50 thousand companies.
 - The development reserve of incorporated enterprises may be deducted with respect to the full extent (previously 50%) of the enterprise's pre-tax profit. The maximum value of the reserve is HUF 10 billion. The measure allows companies to receive even an entire corporate tax exemption on earnings to be reinvested in the future.
 - A tax deferral within the year (from May to September) for annual tax returns, special payment facilities and the acceleration of VAT refunds have been introduced.
 - From end of March, 2020, the state tax authority does not charge any penalties in relation to tax debts during the state of emergency.

- Individuals and sole proprietors severely affected by the pandemic may apply for deferral of tax payment for up to 6 months, payment in instalments for up to 12 months or even a tax reduction of any taxes for 20% of the tax debt up to 5 million HUF. The tax reduction can be requested in respect of only one tax type and it cannot be combined with other payment allowances.
- The conditions of certain fringe benefits (Szép-card) will be more favourable as the employers' social contribution tax will not be charged on the amount transferred to the card until the end of 2020. Therefore, the tax burden will be reduced from 32.5% to 15% in case of such benefits.
- The amount that might be given at the preferential rate has been nearly doubled both in the public and the private sector.
- In 2020 the upper rate of bank levy in case of credit institutions will be raised to 0.39% to mitigate the negative budgetary effect of the coronavirus pandemic. This one-off revenue from the increased tax is contributes to the Emergency Fund against coronavirus. This measure remains in power for 2020 only.
- To reduce the negative budgetary effect of the coronavirus pandemic, a new special tax was introduced in 1 May 2020, chargeable on the net turnover of retail companies with annual revenue over HUF 500 million. The revenue from this sectoral tax contributes to the Emergency Fund against coronavirus as well.
- Tax authority (NTCA) will not penalize companies from 1 July to 30 September 2020 if companies fail to comply with the new reporting obligation due to the abolition of the HUF 100,000 threshold in B2B online invoice data reporting.
- The VAT rate on residential properties to be constructed in brownfield sites under 150 square meters of useful floor area is reduced to 5% from 22 July 2020.
-
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
- Employment regulations will be temporarily amended to allow for teleworking, home office, and different or flexible work hours, while also authorising employers to take the necessary measures in order to inspect the health of employees. Employers and employees may separately agree to other conditions.
- Short-term loans to businesses will be extended to 30 June.
- The average annual interest rate on new consumer credit cannot exceed the central bank's base rate plus 5%.
- A moratorium on loan repayments of commercial banks for the Central Bank within the "Funding for Growth" Scheme has been also adopted.
- new, "Funding for Growth GO!" Scheme ("NHP Hajrá!") has been introduced for SMEs, providing funds of up to HUF 1,500 billion for the SME sector with favourable and predictable interest rates (capped at 2.5%) to maintain jobs and production capacities and to finance their investments (minimum loan amount is HUF 1 million; maximum loan amount available is HUF 20 billion).
- The Central Bank of Hungary increased the interest rate of the one week an O/N collateralized loans from 0.9% to 1.85%.
- The Central Bank of Hungary has introduced a corporate bond and security purchase programme with an envelope of HUF 450 billion (*Növekedési Kötvényprogram-NKP*).
- The Central Bank of Hungary introduced a Government Security Purchase Programme in the secondary market and relaunched its Mortgage Bond Purchase Programme, targeting securities with a maturity exceeding 3 years. No preliminary target volumes have been defined, but the first review will be made at HUF 1,000 billion for government securities and HUF 300 billion for mortgage bonds.
- The Central Bank of Hungary has suspended the minimum-reserve requirements towards banks

- The Central Bank of Hungary has introduced new secured credit facilities with fixed interest-rates. The repayment terms are 3, 6, 12 months and 3 or 5 years.
- The Monetary Council cut the base rate by 15 bps to 0.75% in June. Interest rate remunerated on required reserves also dropped to 0.75%.
- One-week deposit rate - activated by the Central Bank in April 2020 with fixed interest rate - decreased accordingly from 0.9% to 0.75% at the last tender in June, so it equals to the base rate. Its fixed interest rate is determined on weekly tenders.
- Large enterprise-loans have been added to the list of collaterals.
- New foreign exchange swap tenders have been introduced and are held on a daily basis. The maturity of the tenders is one week. Rental fees are frozen in the hardest hit sectors. Evictions and confiscations have been suspended.
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- Renters can prolong the rental contract automatically by a unilateral statement in the case of dwellings owned by the Hungarian State or municipalities during the emergency period.
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- Other
 - Curfew-type restrictions are lifted: people now can visit e.g. playgrounds, baths, cinemas, libraries, hotels or catering units again (personnel has to wear mask and must provide circumstances for social distancing in the latter).
 - Concerts can be organised for a crowd as many as 500 people.
 - Weddings, funerals, other rituals of religious communities and related family events can be held outside Budapest.
 - From Monday 15 June, family events after weddings and funerals can also be held in Budapest as well but the number of attendees cannot exceed 200, and social distancing must be observed here too.
 - Catering units are exempted from paying fee “for using public area” (sidewalk part) until 1 September 2020.
 - The government announced the termination of the state of danger, the travel restrictions applicable to health care and law enforcement workers as well as to government servants are lifted.
 - The government announced the termination of the state of danger, the travel restrictions applicable to health care and law enforcement workers as well as to government servants are lifted.
 - Parking was free in every municipalities until 1 July.
 - University buildings (except dormitories) can be visited again (if the rector of the particular institution decides to reopen).
 - Kindergartens and schools have been reopened gradually, nevertheless, digital working arrangements remain.
 - Closed border policy is partially ceased: fully open border policy towards Austria, Slovenia, Croatia and Slovakia.
 - A colour- code- labelling system has been introduced: green: level of infestation is low, yellow: level of infestation is less severe, red: level of infestation is severe. People coming from those countries labelled as yellow or red are spot-checked at the border/airport (health screening, measuring body temperature), must fill a questionnaire and move to home quarantine.
 - Army teams are being deployed in 84 strategic companies (in telecom, food, pharmaceutical and gas supply sectors).
 - Construction of an emergency epidemiology hospital has started, 4 major hospitals outside of Budapest are prepared in case to receive newly infected people at any time+ multiple departments of other hospitals and a privately owned hospital are

transformed to host coronavirus-patients.

- Two military tent-hospitals have been set up for pre-classification of patients.
- A building of Hungary's major exhibition hall has been transformed into a temporary hospital. Increasing the contactless limit from HUF 5,000 to HUF 15,000 serves to slow down the epidemic as it reduces the need for customers using bank cards to come into physical contact with PIN terminals.

MT



The Maltese government has introduced measures to counter negative impacts of COVID-19 in several phases. The first set of measures was announced on 14 March focussing on tax deferrals and support of remote work, with little specification of the extent of fiscal costs. On 18 March the government announced a financial package containing mainly guarantees and tax deferrals to ease liquidity situation of companies and self-employed. It also included support for disabled and families with children where parents could not work remotely. On 24 March the government announced measures which concentrate on wage subsidies. The last package was revealed on 8 June introducing some 25 measures. The estimated fiscal impact of these measures is some 4.1% of GDP. The liquidity measures (i.e. guarantees and tax deferrals), with no immediate impact on the deficit, amount to some 8.3% of GDP. On April 16 the government announced interest rate subsidies on bank loans for businesses hit by COVID-19 pandemic.

- Expenditure measures
 - Employers with teleworking workers are entitled to 45% refund of costs for investing in ICT facilities (up to EUR 500 per worker). Employers are only eligible if they did not have employees with active teleworking agreement prior to the 15th of February 2020.
 - Businesses who have employees on mandatory quarantine shall receive a grant of EUR 350 per employee.
 - Individuals whose full-time employment has been terminated as of 9 March 2020, shall be entitled to a temporary benefit of up to EUR 800 a month.
 - Families with children where both parents work and are unable to work remotely and therefore require leave to care for their children, shall be entitled to two months additional leave and shall be paid a benefit of EUR 800 per month.
 - Persons with disabilities who are unable to work from home and are unable to go to work due to health complications which may arise due to COVID-19, shall be entitled to a benefit of EUR 800 per month.
 - Persons employed in the private sector, who after 27 March are not going to work because they are ordered by the Superintendent of Public Health not to leave their home, are not able to work from home and are not being paid by their employer during their absence from work, are eligible to a direct payment of EUR 166.15 per week in case of full-time employment or EUR 103.85 per week for part-time employment.
 - Government will increase the rent subsidy for those families where one dependent had his/her employment terminated. Furthermore, rent subsidies granted by the Government shall increase for those families who already live in accommodation which is subsidised and where one family member has had their employment terminated.
 - Full time employees of enterprises operating in sectors that suffered drastically due to the COVID-19 pandemic or had to temporarily suspend

operations on the order of the Superintendent of Public Health will be entitled to up to five days' salary per week based on a monthly wage of EUR 800. This includes all self-employed. Employers agreed to fork out an additional EUR 400 per worker to ensure a monthly salary of EUR 1200. Part-time employees will be eligible up to EUR 500 per month.

- Full time employees of enterprises in other adversely affected sectors, including wholesale, manufacturing and warehousing will be entitled to one day's salary per week, equivalent to EUR 160 per month. Part-time employees will be eligible to one day's salary per week, equivalent to EUR 100 per month.
 - In the case of enterprises in other adversely affected sectors based in Gozo (Malta's sister island), the entitlement will be two days' salary per week equivalent to EUR 320 per month for full-time employees, whilst for part-time employees, the entitlement will be EUR 200 monthly. Self-employed operating their own business pertaining to other adversely affected sectors in Gozo will be entitled to two days' salary per week, equivalent to EUR 320 per month. This will increase to 3 days' salary, equivalent to EUR 480, for those self-employed businesses who employ staff.
 - Financial assistance towards the healthcare spending to combat COVID-19 is estimated to reach some EUR 130 million.
 - Government will be financing up to 2.5% of the interest rates on bank loans taken out by businesses hit by the COVID19 pandemic. The measure is envisaged to last two years with annual costs of EUR 20 million.
- Tax measures (distinguish tax deferrals from other measures)⁴
 - Deferral of taxes, including, PT, VAT, and NI, for March and April to a later date. This deferral is estimated to improve liquidity by EUR 700 million (5.5% of GDP).
 - Speed up of payments (e.g. VAT refunds) to private industry to sustain the financial liquidity of employers and self-employed.
 - Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - The government allocated EUR 350 (2.8% of GDP) for guarantees on company loans through the Malta Development Bank. This amount can guarantee up to EUR 780 million (6.1% of GDP) of new loans extended by commercial banks.
 - 6-month moratorium can be requested from banks in relation to both personal and business loans
 - Those sectors hit by the measures being taken by government to curb the spread of Covid-19, are eligible for the benefits mentioned here above to safeguard employment.
 - Other
 - Closed sea and air connections from all countries. All commercial flights were suspended from 21 March. The Airport remains only in operation to facilitate the arrival and departure of cargo, humanitarian and ferry flights.
 - Closure of all schools, childcare centres and universities from 13 Mar until 20 Mar. This decision was revised to keep these institutions closed until further notice.

⁴ Together with the teleworking subsidy, the official estimate is that measures amount to EUR 100 million.

- All bars, restaurants, gyms and other places of social interaction were shut down from 17 March.
- Mandatory 14-day quarantine for all people arriving on the island
- Measures with respect to third country nationals:
 - o All enterprise that terminate the employment contract of one of their employees shall be prohibited from offering an employment contract to third country nationals;
 - o Only applications for highly-skilled third country nationals shall be considered; and
 - o Third country nationals whose employment has been terminated shall be provided assistance in order to find alternative employment.
- Jobsplus shall provide assistance to Malta resident individuals and third country nationals whose employment has been terminated and shall also assist with work permits. Moreover, Jobsplus shall also provide assistance to employers with respect to recruitment of new employees.
- Closure of non-essential retail and services. These businesses are; clothing, sportswear, jewellery, handbags and leather goods, costume jewellery and accessories, footwear, non-prescription eyewear, perfumeries, beauty products, haberdasheries, soft furnishings, household appliances, souvenir shops, discount stores, luggage shops, toy shops, hobby shops, furniture, florists and vaping shops.
- Lockdown as of 28 March for persons of over 65 years, as well as other persons considered to be a risk group (e.g. people with chronic diseases, such as diabetics; persons making use of biological medicines, persons who have been on chemotherapy in the past six months, persons who suffer from immunosuppression, pregnant women, people with respiratory complications). This measure is expected to affect around 118,000 people. These people are not allowed to go to work and will be offered special quarantine leave.
- Police will be deployed to disperse gatherings of more than 5 people following reports of various cases where small groups of people gathered in public areas to socialize despite the existing restrictions and closures of various businesses.

NL



The authorities have implemented a comprehensive package of emergency measures to address the socio-economic consequences of the crisis. The expected impact on government expenditure this year amounted to around EUR 20 bn (ca. 2.3% of GDP) at the cut-off date of the spring forecast. This has since increased to a total of about EUR 42 bn (ca. 5.5% of GDP) after the adoption of follow-up package of emergency measures⁽⁵⁾. Some measures that were initially in place for 3 months as of March have as of late May been extended by another 4 months (with added conditionality). These temporary measures could continue to be adapted and/or prolonged further as the situation continues to evolve. Moreover, new measures have - and are being - implemented on an ongoing basis. The main measures are outlined below, but the list is not exhaustive as the authorities have also implemented a wide range of support measures across sectors with a more limited budgetary impact. The main focus areas of the measures concern: (i) spending and investment on healthcare; (ii) income and

⁵ <https://www.rijksoverheid.nl/documenten/kamerstukken/2020/05/20/kamerbrief-noodpakket-2.0>

employment support for self-employed and - via corporations through a work-time reduction benefit scheme – for employees; (iii) tax measures; (iv) financing and credit measures; and (v) sector specific measures; and (vi) up- and reskilling measures of employees in affected sectors and support measures for education.

- Expenditure measures

- Companies facing at least 20% revenue losses over 3 months get support of up to 90% of their wage bill through the new temporary emergency bridging measures for sustained employment (*Tijdelijke Noodmaatregel Overbrugging voor Werkbehoud – ‘NOW’*). This measure has since been prolonged by another four months, with added conditionality for the employer that there can be no bonuses, no dividend payments or share buybacks. Moreover, firms get a higher compensation for employers’ social benefit payments and the ‘penalty’ of having to pay a 50% surcharge on paying back the subsidy in case of job losses has been scrapped for the extended 4 months. The estimated costs total EUR 22.8 billion (2.8% GDP) for the total 7-month period. The Employee Insurance Agency (UWV) will pay a deposit beforehand to the employer, who in turn can continue paying the employees’ wage bill. Employers using the scheme must commit to continue paying the full salaries of their employees (including those with a flexible contract), as the allowance will be adjusted downwards afterwards if the total wage sum had declined.
- Temporary income support is also provided for self-employed and independent contractors (*Tijdelijke Overbruggingsregeling Zelfstandig Ondernemers – ‘TOZO’*). The measure provides for income support up to the social minimum - a maximum of EUR 1 050 per month for singles and EUR 1 500 for couples. It was first implemented for 3 months, but later on extended with another 4 months, with added conditionality that for the prolongation period there will be an income screening for partners. Moreover, self-employed with liquidity problems are eligible for a government-supplied loan to supplement their working capital of up to EUR 10 156, with an interest rate of 2% and a maturity of 3 years. The estimated cost is EUR 4.9 billion (0.7% GDP), of which EUR 2.2 billion consists of direct support to self-employed, EUR 2.4 billion consists of credit lines, and EUR 300 million consists of implementation costs for local governments.
- More recently a temporary support system for flex workers was also implemented with retroactive support for the period March – May (*Tijdelijke Overbruggingsregeling voor Flexibele Arbeidskrachten – TOFA*). The support is geared to employees on flex contracts that were not eligible for welfare or previously implemented corona related temporary income support measures. Flex workers are eligible to a compensation of EUR 550 a month if their earnings in February exceeded EUR 400 and their April earnings were below EUR 550. The estimated cost is EUR 200 mln.
- Moreover, entrepreneurs who have experienced a drop in turnover of at least 5% as a direct result of the mid-March mitigation measures (such as mandated closure, the prohibition of gatherings and the negative travel advice), are eligible for an unconditional, one-off compensation of EUR 4,000 (*Tegemoetkoming Ondernemers Getroffen Sectoren Covid-19 – ‘TOGS’*).
- The TOGS measure was succeeded in the second emergency package by a maximum allowance of EUR 50 000 to cover fixed costs for an additional four months (*Tegemoetkoming Vaste Lasten MKB – ‘TMKB’*). The measure is available for the same sectors as under the TOGS measure, and firms can apply for compensation if the turnover loss exceeds 30%. The allowance

depends on the size of the company, the fixed costs and the degree of turnover loss. Estimated additional budgetary impact is EUR 1.4 bn.

- Tax measures

- Tax deferrals were granted for 3 months, until at least 19 June 2020, which has been extended for 3 months until 2 September 2020. The tax deferral applies to a whole set of taxes such as: income tax, corporate tax, revenue tax, taxes on wages, vat tax on alcoholic beverages, rental fee tax and energy tax. The estimated amount of taxes affected is EUR 46 billion (6.1% of GDP), for the months March, April and May. The main aim is to prevent short-term liquidity issues to morph into insolvency.
- Moreover, measures were introduced to limit the administrative and financial burden for companies. These include not collecting fines on late payments and the temporary lowering of interest rates on collectable taxes to 0.01%. Furthermore, large energy users are allowed to delay payment and a VAT exemption is granted to specific companies (.e.g. when producing medical equipment or seconding staff to medical services). The following smaller measures were also introduced: lower income taxes for self-employed and employers through allowing more costs to be deducted and a more flexible hour counting, lower corporate taxes by allowing profits of 2019 to be compensated by losses in 2020. The estimated cost is EUR 416 million.
- A change in tourism taxes is under discussion but is not yet operational (13 May 2020).

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

- Guarantees

- SMEs can benefit from an extension of the guarantee to obtain a loan (*Borgstellingskrediet midden- en kleinbedrijf – ‘BMKB’*), and the interest rate on these loans has been lowered to 2% (previously 3.9%). Until mid-April, about 1000 firms have received extra credit using this measure, but the expectation is that this number will increase substantially still. SMEs can also ask for a guarantee to refinance short-term loans if necessary. The guarantee ceiling is EUR 1.5 billion, with estimated budgetary impact of EUR 203 million
- Specifically for agricultural and horticultural companies, the Loan Guarantee scheme for small and medium-sized farms has been extended (*Borgstelling Landbouwkredieten Corona Module – ‘BL-C’*). Loans for working capital are temporarily guaranteed by The Ministry of Agriculture, Nature and Food Quality. The loans have a maturity of at maximum 2 years.
- Furthermore, SMEs and larger companies can make use of an existing – and since expanded - loan guarantee scheme (*Garantie Ondernemersfinanciering-regeling – ‘GO’, ‘GO – Corona Module’*). The guarantee ceiling is EUR 10 billion, with estimated budgetary impact of EUR 1.1 billion.
- Entrepreneurs (micro, middle and small firms) in need of a small loan can apply for credit with state guarantee (*Klein Krediet Corona – ‘KKC’*). The total guarantee ceiling is EUR750 million, (not yet operational, 13 May 2020).
- The Supplier Credit Reinsurance Guarantee (*Garantie Herverzekeren van Leverancierskrediet*) has a guarantee ceiling of EUR 12 billion and aims to prevent the short-term turnover market from stalling because suppliers are no longer willing to supply credit. This guarantee has an estimated budgetary

impact of EUR 970 million (not yet operational, 13 May 2020).

Credits

- Startups, scale-ups and innovative firms that have no link to any financial institution at the moment, might suffer to get a new loan and can therefore turn to regional development agencies to get a loan. The measure entered into force on 29 April (*Programma Corona-OverbruggingsLening – 'COL'*). The measure entered into force with an initial budget of EUR 100 mln, which has since been expanded to EUR 300 mln.
- Moreover, the firms in this group that have loans with the state (*Vroege Fase Financiering en Innovatiekrediet*) can pay back the loan with a delay of 6 months and the interests will be diminished. Finally, Invest-NL is planning to pay EUR 100 million into a temporary credit programme for innovative start- and scale-ups (*Tijdelijke Overbruggingskrediet Programma Innovatieve Start- en Scale-ups – 'TOPSS'*).
- Small companies and self-employed can get a delay of 6 months to pay back the loans they have under the system of microcredits (*'Qredits'*). Interest rates are lowered to 2%. Others can obtain a new loan under the Qredit system.

Other

- A turnover support measure is deployed for specific parts of the horticultural sector (*sierteelt, voedingstuinbouw en fritestelers*) with estimated budgetary cost of EUR 650 million.
- Local and regional media can get support from the State to cover revenue losses due to a drop in advertising. The support varies between EUR 6,000 and EUR 33,000 per company. Municipalities are being asked to support the measure by buying advertising space.
- The cultural sector will receive additional financial support of EUR 300 million, on top of the normal subsidies. The aim is to keep employment in this sector and enable the sector to invest in the next cultural season. The total current estimated cost for sector specific measures is EUR 1.4 billion (0.2% of GDP).
- The Ministry for Public Health, Welfare and Sports has allocated EUR 800 million (0.1% of GDP) to buying and distributing medical equipment, vaccine research, training of care personnel, and other Covid-19 related measures. In response to the Commissions' 4 May Coronavirus Global Response Pledging event, the Dutch government has pledged EUR 192 million of support, of which EUR 50 million to vaccine development and EUR 42 million to research on COVID-19. The government has also announced EUR 50 million to the Coalition for Epidemic Preparedness Innovations (CEPI) to support vaccine development.
- Support is also provided to Caribbean Netherlands, through liquidity support for paying wages, humanitarian help, support to the ferry connection, subsidy for provisioning of drinking water, support for energy and electricity provision etc. In total, the support adds up to around EUR 380 mln.
- Beyond these measures the government has also indicated it has started looking into the needs and requirements to support the economic recovery, and the second package of emergency measures contains a first effort to that end with the new 'NL continues to learn' initiative. This initiative, which has an estimated budgetary impact of EUR 50mln, has the objective of supporting employees who have lost their job or are at risk of losing their job as a result

of the COVID-crisis in their transition to other forms of employment. In addition to employees in affected sectors, the initiative also includes flex-workers and the self-employed.

- Various support measures have also been implemented for the effective continuation of- and support to primary- secondary and tertiary education with total budgetary effect of EUR 326 mln. Com
- Compensation of up to 93% for public transport providers so that they are able to operate at full capacity despite subdued demand and social distancing and hygiene measures applying in public transport, with estimated budgetary impact of EUR 1.5 billion.

AT



Since mid-March, the Austrian authorities have implement measures to contain the COVID-19 pandemic and to mitigate consequences for the Austrian economy. A budget envelope of initially EUR 38 billion (10 % of GDP) has gradually been implemented and operationalized. Furthermore, the government has mobilized additional help and signalled to expand it where needed. On 16 June, the package was increased to EUR 50 billion (13 % of GDP), including stimulus measures. The following gives a brief overview of these measures.

- Expenditure measures

- EUR 15 billion **Corona aid-fund** (Corona Hilfs-Fonds): This instrument will provide on the one hand state guaranteed loans and on the other hand grants for compensation for certain fixed costs for enterprises and industries that were hit hard by the crisis in accordance with the temporary State-Aid framework.
- The compensation scheme covers up to 75% of the fixed costs. The covered share is depending on the revenue losses compared to the last years. The scheme was initially for 3 months, and will be extended by 6 months and the eligibility will start already at 20 % loss of turnover instead of 40 %. In order to ensure liquidity, the State is guaranteeing up to 100 % for specific loans.
Single point of contact for firms is their business bank. The bank forwards the application to either the Oesterreichische Kontrollbank (OeKB), to the Austrian Wirtschaftsservice (aws) or the Österreichische Hotel- und Tourismusbank (ÖHT), depending on the case. For the purpose of providing the necessary guarantees for loans, and for an unbureaucratic and fast process, the Austrian government has established the new Covid-19 Finanzierungsagentur des Bundes GmbH (COFAG).
- EUR 1 billion **investment premium**: The government will provide a basic premium of 7% for companies to promote investment. On top of that additional 7% are granted for investment in health, environment and digitalisation.
- **Investment in climate protection**: additional funds will be invested in thermal renovation (private and public buildings), renewable energies, climate protection and future technologies, public transport.
- For the purpose of providing affordable housing the Wohnbauinvestitionsbank (WBIB) is intended to support the construction of around 25,000 homes.
- EUR 700 million for a **relief fund for associations in sport and culture**: The aim of this fund is to cover short-term costs and to support a restart for NPOs

in autumn. Large companies under the supervision of the Court of Auditors are excluded.

- EUR 90 million **Fund for bridging finance for self-employed artists**
- EUR 25 million **package for the Austrian film industry**: Coverage of costs in the event of actual damage (retrospectively applicable from 16 March and limited until the end of 2021)
- One-off payment for the unemployed and families. Unemployed persons receive EUR 450 and families receive EUR 360 per child, being paid out in September 2020.
- EUR 500 million for agriculture and forestry, partly affecting the revenue side: A series of specific tax relief measures aimed at the agricultural sector see a reduction of SSC, raising the flat rate obligation, removal of the solidarity tax for farmers' pensions and an increase of pension payments. In addition, government will invest into the forestry sector as well as in research to reduce the use of fossil fuels in this sector.
- EUR 12 billion for **immediate help**
 - o **Hard-ship cases**: The Austrian Government recognizes that many small firms are in trouble. In order to help those affected, transfers to self-employed persons (SPCs, very small firms, freelancer, artists, etc.), agricultural enterprises and NPOs have and will be disbursed in a two-phase model.
Phase 1 granted transfers of EUR 500 or EUR 1.000 dependent on last year's net income. Applications were possible from 27 March to 17 April.
Phase 2 grants transfers of up to EUR 2.000, dependent on the fall in revenues experienced, plus a so-called comeback bonus of additional EUR 500, for up to six months. Applications for Phase 2 started on 20 April and are possible until the end of 2020.
 - o EUR 100 million for **additional funds for caretaking**: In an effort to defend the weakest in the current situation, an extra fund for the care of the elderly has been established.
 - o EUR 36 million **additional research funds**: The Austrian government commits to boosting research efforts to find a way out of the current situation. Therefore, additional research funds are being disbursed.
 - o EUR 130 million have been mobilized to guarantee the supply of necessary **medical equipment**.
 - o EUR X billion **short-time work scheme**: The strain on the working population is enormous. Therefore, the Austrian government has implemented a rigorous scheme to combat the effects of the current situation. Working hours can be reduced by up to 90 % on average over a given period. During sub-periods, working hours can even be reduced by 100 %. The Austrian government will reimburse employers for 80 % to 90 % of the employee's last net income, dependent on last gross income and up to EUR 5.370 (apprentices receive a replacement rate of 100 %). Social Security Contributions (SSC) from the employer's side are also covered. Workers can be requested to use their pre-2020 vacancy time and to run down over-time hours. For liquidity purposes, firms can use confirmations of the Public Employment Service Austria for short-time work to faster access bridge loans from business banks. The duration of short-time work is limited to 3 months with the possibility to reapply for another 3 months later.

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

- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - Austrian authorities have enforced a country-wide curfew since 16 March. However, the lockdown has been eased, and stores (incl. services without tourism, restaurants or leisure) re-opened after 1 May. On 15 May a gradual easing for schools, churches and restaurants was introduced. Schools for young children reopened on 18 May. Since May 29, cultural events are again possible to a limited extent and fitness studios, thermal baths, outdoor pools, hotels, guest houses, campsites and cinemas may reopen.
 - Since June 15, the standing obligation for all persons to wear a face-mask has been limited to public transportation, pharmacies and services when a distance of 1 meter cannot be maintained or no other protective measures are available .
 - On 16 June, travelling restrictions have been lifted for most European countries.

- Other
 - A number of hotlines, such as a coronavirus hotline has been set up to provide general information on contagion, symptoms and prevention.
 - The ministry of social affairs, health, care and consumer protection established a taskforce of experts to provide medical-scientific advice and is equipped for crisis management.

PL



- Expenditure measures

A special 'coronavirus' law voted early March :

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

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

1. protecting jobs and supporting employees – this includes amongst others: compensation of a part of salaries in companies which recorded a deep decline in revenues (assuming reduction of the working time to 80%: 40% of the salary to be paid by the company and 40% to be paid by the state), exemption from social security contributions for 3 months, a benefit to self-employed and employed on civil contracts, a benefit for parents who need to stay home to take care of small children (schools are closed), benefits for persons who take care of disabled person, or dependent adult family member.
2. supporting companies – this includes amongst others: public guarantees, preferential credits and loans, financing leasing for transport companies, deferrals of social security contributions payments, not applying fines for delays in public tenders.
3. spending on health– this includes primarily costs of fighting the pandemics and additional investment in healthcare.
4. financial system liquidity (liquidity: PLN 70 bln, 3% of GDP) – this includes primarily measures aimed at rising liquidity, lowering the cost of money and facilitating credit creation on the Polish government bond market.
5. public investment – an envelope of PLN 30 bln (1.4% of GDP) to be invested in selected areas – currently not clear if this concerns new spending or pulling already planned investment under one umbrella of a new fund that will be created as a part of the package.

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

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

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

On the 26 April, the government adopted a measure consisting in a package of loans to companies that can amount up to PLN 100 bln (over 4% of GDP). A part of those loans

(up to PLN 60 billion, over 2.5% of GDP) can be further cancelled under certain conditions (continuation of operations after the end of epidemic restrictions and preserving jobs). Operational and technical details of those measures differ depending on the firms' size (micro – up to 9, SME – 10-250 and large – over 250 employees). The loans are granted by the Polish Development Fund which in turn issues bonds to finance the operation. Bonds are guaranteed by the state and bought by the central bank.

On 14 May, the parliament voted another law in response to the COVID-19 pandemic. Among a number of measures having an impact on amongst others legal aspects of (economic) life, it introduced also an extension of the exemption from social security contributions in specific cases. More specifically, the measures include, inter alia relaxing some rules as regards modification of job contracts with foreigners, transferring some PLN 0.9 billion (below 0.05% of GDP) to a dedicated agency for investment purposes, providing an investment credit guarantees to a railway infrastructure company, increasing state co-financing local and regional bus transport services.

On 4 June, the parliament adopted a law on subsidisation of interests on bank loans that aims at supporting liquidity. It will concern interest on bank loans granted under contracts concluded by 31 December 2020 to business entities whose financial liquidity deteriorated following the negative economic consequences of the COVID-19 pandemic. The subsidies will apply to revolving and non-revolving working capital loans granted in PLN. The law includes, inter alia :

- two-year anti-takeover regulations to protect companies against buyouts by investors outside the EU; (the energy, fuel, telecommunications, food processing, drug, chemical and fertilizer, explosives, weapons and software manufacturing public services);
- credit holidays for people lost their job or their main source of income after March 13;
- support for local government budgets;
- facilitation for public procurement.

On 19 June, the parliament voted:

- a holiday voucher amounting to PLN 500 (some EUR 110) per child, to be redeemed until March 2021. The initiative of the estimated cost up to 0.2% of GDP aims at supporting the local tourism economy. It is estimated that nearly 6 million children could benefit from it,
- a “solidarity benefit” – a lump-sum payment of PLN 1400 (some EUR 310) to those who lost their job during the pandemic. The benefit is to be paid in June, July and August 2020. Those who qualify for an unemployment benefit (that is lower than the solidarity benefit) will get a top-up to PLN 1400. The estimated cost of the benefit is below 0.1% of GDP,
- an increase of the unemployment benefit. It will be effective as from September 2020. The unemployment benefit will be increase to PLN 1200 (around EUR 270) for the first 90 days, and then it will amount to around PLN 950 (some EUR 210). The fiscal impact of this change is estimated at below 0.1% of GDP.

- Tax measures

Measures include amongst others:

- postponement of the date of entry into force of the new tax obligations;
- facilitation of the suspension of business activities;
- inclusion in the tax-deductible costs of expenses related to cancellations of trips;
- temporary postponement of payment deadlines of VAT;

- extension of deadlines for 2019 PIT settlements;
- social security contributions deferrals, redemptions or stage payments.
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - All schools and universities throughout the country closed from 16 March (online classes organised, university exams to take place online). The decision affects both public and private facilities. All cultural institutions, incl. theatres, operas, museums and cinemas were closed down from Thursday, 12 March. Some could reopen early May, under several conditions. Further (cinemas, theatres, opera, ballets and philharmonic halls) opened 6 June, under several sanitary conditions. Football stadiums will join on 19 June (maximum 25% of the seats occupied, social distancing imposed).
 - Domestic passenger air transport gradually opening since beginning June. International passenger air transport operations (to most Schengen area countries) gradually started mid-June. Train passenger transport operational.
 - Under the special 'coronavirus' law voted early March, employers would be able to instruct employees to work from home in an effort to prevent the spread of the Covid-19 virus. The employer may instruct an employee to work, for a fixed period of time, outside his/her current permanent workplace.
 - Work permits for foreign workers extended.
- Other
 - State of epidemic emergency in place since 13.03.2020.
 - Most shops and services restarted operations in May (under a number of sanitary restrictions), after a period of lockdown.
 - On 13 June Poland restored full border traffic within the borders of the EU. Travellers are allowed to freely enter, exit and transit through the country without quarantine.
 - Travellers from non-EU member states: Russia, Belarus and Ukraine allowed to enter Poland since June under certain conditions. Workers from these countries are not subject to the 14-day quarantine on arrival.
 - Between March and May, the reference rate of the National Bank of Poland (NBP) was lowered by 140 basis points to the historically low 0.1% and the NBP started buying bonds on the secondary market and repo operations.
 - For other liquidity increasing measures: see above on the special package of measures.

PT



- Expenditure measures

National Health System (most measures announced on 13 March)

- Exceptional HR regime, including: a) suspension of overtime limits; b) simplifying the hiring of workers; c) worker mobility; d) hiring retired doctors without being subject to age limits.
- Exceptional regime for public procurement and expenditures in the health sector (including ventilators, protective equipment, diagnostic support material).
- Exceptional regime for the composition of medical boards to assess needs of people with disabilities.
- National Contingency and Response Plan for Disease by the new Coronavirus (field hospitals, reinforced support line SNS24, public awareness campaign).

- Reinforced contact centre for deaf people through an extension on video of the SNS24 line (21 April).
- Extensive testing implemented across the country (average of 12,600 tests per day) and proactive tracing of potential positives. Specific programme for nursing homes testing (since 30 March). Two new diagnostic centres (since 30 March).
- Immunity testing plan involving 17 hospitals nationwide by the National Health Institute, 13 May.
- Reinforced measures to support mental health: regional plans and microsite with contacts, Q&A, detailed information on approaches to the challenge, including for health professionals.
- Reinforced measures to tackle domestic violence: strengthened and diversified dissemination of info about support and helplines, safety advices and alerts. Two new emergency shelters.
- Broad set of Health Authority guidelines, including for the restart of economic activity.
- Guidelines for nutritional therapy of COVID-19 infected, as an integrated part of the therapy (6 April).
- Maximum limit of 15% in the percentage of profit on the sale of medical devices and protective equipment, as well as ethyl alcohol and alcohol-based cutaneous disinfectant gel.
- Waiving VAT and customs duties on vital medical equipment (protective equipment, testing kits or medical devices such as ventilators), until 31 July.
- Reduced VAT rate on masks and disinfectant gel, 22 April.

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

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

- programmes).
- Reinforced powers of Authority for Labour Conditions (ACT) to act against irregular dismissals.
- Suspension of Social Security lien foreclosures for 3 months.
- Temperature control allowed in workplace (safeguarding data protection) (announced on 1 May).

Tax measures (significant measures on 26 March)

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

Measures supporting economic activity

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

- EUR 13 billion schemes, approved by the European Commission (on 4 April), which enable Portugal to provide direct grants and public guarantees on loans to help SMEs and large companies cover investment and working capital needs, during outbreak, including a credit line guaranteed by the State through banking system (EUR 6.2 billion): 1) restaurants (EUR 600 million); 2) travel agencies (EUR 200 million); 3) tourism (EUR 900 million); 4) industry (EUR 4.5 billion).
- Credit line for treasury support to companies most affected by COVID-19 (EUR 400 million).
- Credit line for treasury support to social economy sector (EUR 165 million), due to COVID-19 impact.
- Credit line for micro-enterprises in the tourism sector (EUR 60 million), initiated on 19 March.
- Credit line (subsidised) aimed at operators in the fishing and aquaculture sectors (EUR 20 million).
- Increased ceilings for export credit insurance schemes for metallurgic, mould, metal and mechanical industries (+EUR 100 million), construction abroad (+EUR 100 million), short-term exports (+EUR 50 million).
- Suspension of termination of rental contracts and possible moratorium in case of income loss. Tenants and landlords with reduced income can use loans from the Institute of Housing and Urban Rehabilitation (IHRU) to pay rent, until September 2020.
- Suspension of termination of essential services (water, electricity, natural gas, telecom).
- EUR 25 million package to support the entrepreneurship ecosystem: 1) Start-up COVID-19 (financial support per worker); 2) Start-up Voucher (3-month automatic prorogation); 3) Voucher to support start-up incubators; 4) Mezzanine funding for

start-ups; 5) Funding call by Portugal Ventures (investment); 6) EUR 200 million Fund (co-investment in SME); 7) Co-investment fund for social innovation.

- Review of the Internationalization 2030 programme to foster exports and FDI (7 May).

Financial sector and insurance sectors

- Public moratorium (covering principal, interests and other charges) applied to loans granted to natural persons (regarding mortgages for permanent residence and of those most affected – unemployed, laid-off, providing assistance to child/grandchild, in prophylactic isolation or ill due to COVID-19), to loans granted to non-financial corporations, to individual entrepreneurs and to private social solidarity institutions, non-profit organisations, as well as other social economy entities. Requirements apply (e.g. loans cannot be overdue for more than 90 days).
- Suspension of min taxes for businesses on POS payments, by main banks (digital payments with no minimum value for transaction). Higher max limit for contactless transactions.
- Suspension of fees charged for payment transactions via digital channels (namely home-banking or payment applications) for bank customers affected by the COVID-19 pandemic, until 30 June.
- Higher max limit for contactless transactions.
- Banking supervision will allow less significant institutions to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G), the capital conservation buffer (CCoB) and the liquidity coverage ratio. Other measures implemented by supervisory and resolution authorities, to reduce banks' operational burden (e.g. extension of deadlines of non-essential reporting).
- 2020 stress test exercise for less significant institutions postponed, in line with EU-wide stress test.
- New personal credit (maturities up to 2 years), granted between 1 April – 30 September, identified as intended to mitigate households' temporary liquidity shortages will not have to comply with the DSTI ratio threshold and are exempted from the recommendation of regular principal and interest payments.
- Banco de Portugal recommendation to less significant institutions to avoid dividend distributions and stock buybacks until 1 October.
- Banco de Portugal recommended less significant institutions to mitigate procyclical effects by considering applying for IFRS 9 transitional rules foreseen in the CRR.
- Banco de Portugal implemented EBA guidelines on legislative and non-legislative moratoria on loan repayments, with conditions not to trigger default of obligor and assessment of distressed restructuring.
- Exceptional regime for insurance contracts (flexible payments, adapted premia to de-risking), 7 May.

Planning and EU funds

- Acceleration of payment of incentives within the framework of PT2020 – to companies and other promoters (e.g. local authorities, social institutions, universities).
- Acceleration of payment of incentives within Agricultural funds to farmers.
- Moratorium on the amortisation of reimbursable subsidies for 12 months for the obligations falling due until 30 September, within the framework of NSRF and PT2020.
- Introduced more flexible procedures with agricultural and EU funds.
- Review of the PT2020 programming, including financing for the development of vaccines, treatment and technology related to COVID-19, and to convert production

of companies.

- Expenses incurred in cancelled events continue to be eligible under PT2020.
- Programme to support commerce and services (micro and small companies), EUR 60 million (announced on 4 May).
- Acceleration of all payments of goods and services by the Public Administration.

- Other measures

Crisis management

- State of emergency from 18 March (updated on 2 and 17 April) until 2 May, with restrictions to the freedom of movement and the freedom of economic activity.
- State of calamity announced on 30 April, from 3 May until 17 May, including civic duty of confinement, use of PPE (mask) in public transports and closed public spaces, and gradual reopening of the economy.
- Ministerial-level crisis management office to tackle COVID-19 impacts.
- Regional coordination by team of five Secretaries of State, to focus on NUTS2 regions.
- Technical task force to assess and implement epidemiological measures due to COVID-19.
- Info counters in several services strengthened to provide support on COVID-19 related issues.
- Public entities requested to draw up contingency plans.
- Platform with all national initiatives and emergency contacts (covid19estamoson.gov.pt) and reinforced reach out in social media (Facebook, Instagram, Twitter).
- Civil protection network with capacity for accommodation, in cooperation with Armed Forces.
- Suspended visits to nursing homes, hospitals, prisons (on weekends), during state of emergency.
- Suspension of religious and cult celebrations implying crowded places, during state of emergency.
- Limits to national celebrations of 25 April, 1 May, 13 May (religious festivity) and 10 June.

Home Affairs and Environment

- National Emergency Plan for Civil Protection (coordination at national, regional and local levels).
- Reinforced capacity of fire brigades for rescue situations and transport of sick persons.
- Temporary regime to financially support humanitarian fire brigades (announced on 30 April).
- National reserve of protective equipment for medical emergency workers and fire brigades.
- Reinforced surveillance system against wildfires (National Contingency Plan to COVID-19), 12 May.

Public Administration

- Public authorities automatic extension of documents' expiration dates until 30 June, considering citizens may be unable to renew or obtain relevant documents necessary to exercise rights; until 30 October, decided on 15 May.
- Foreigners (with pending processes in the Immigration Authority (SEF) on 18 March) are temporarily granted the same rights as permanent residents (access to

healthcare, social security, housing, employment, banking), until 30 June.

- Residency authorisations to expire after 24 February are now valid until 30 June.
- Coordinated response to tackle needs of Roma population with Migrations Authority (ACM).
- Exceptional measures on technical inspections of motor vehicles and trailers, until 30 June.
- Limitations to access to online gambling during state of emergency, to protect consumers.
- Moratoria to local authorities' contributions and repayments to the Municipal Fund (EUR 46.7 million).
- Anticipation of the twelfth State contribution to local authorities' budgets (up to EUR 261 million).
- More flexible financing conditions granted to local authorities.
- Possible exemption or reduction of local tariffs, taxes and licenses related to economic activity.
- Teleworking regime applied to 68,000 public servants, by 5 May.
- Online public services on ePortugal, under the Simplex programme, to improve access to citizens.

Economic activity and tourism

- Retail and businesses closed to the public, moving online (exception for essential services).
- Reinforced control of stocks and price speculation by the Economic and Food Safety Authority (ASAE).
- Flexible summer sales period in May and June (not accounting for 124-day-limit), 7 May.
- Suspension of the counting of terms of the lease contracts, guaranteeing the right to housing.
- Guarantee of provision of water, electricity, gas and communications to the general population.
- Exceptional regime of administrative fixing of bottled liquefied petroleum gas prices.
- Health Authority guidelines for restaurants reopening (8 May), amongst other prevention areas.
- Clean and safe stamp for tourism companies and restaurants complying with health measures, 5 May.
- Tourism promotional campaigns at national and regional levels (Can't Skip Hope, 21 March; Read Portugal, 17 April; Now it's time, 18 May).
- Adapt Programme to relaunch economic activity in micro-enterprises and SMEs (EUR 100 million), 14 May.

Justice System

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

Education

- Suspension of all classroom activities in person (academic and non-academic) in educational establishments (Nurseries, Schools, Universities), starting on 16 March. Re-assessed on 9 April: 1) classes restarted on 14 April; 2) assessment maintained

(except 9th grade); 3) distance education at primary level; 4) presential classes for high school exam-takers (exam period 6-23 July).

- Capacitation for the transition towards distance education (online platforms), including with a programme for Teaching in Digital Networks (Formação para a Docência Digital e em Rede).
- TV-schooling for primary level education through RTP Memória, starting on 20 April.
- Disinfection campaign by the national Armed Forces in public schools for the restart of classes on 18 May, including PPE distribution (during first weeks of May).

Culture

- Financial support to artists and entities most affected (EUR 1 million). Reinforced to EUR 1.7 million, 13 May.
- Music festivals with no numbered seats cancelled, 28 February-30 September.
- Resolution mechanism to protect cancelled cultural and artistic shows (voucher system).
- Support to bookstores and publishers to strengthen Portuguese cultural centres abroad (EUR 400,000).
- Anticipation of EUR 15 million in the acquisition of institutional advertisement (support to media).
- Closure of all national monuments and places of cultural activities (both public and private).

Research and Development

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

Agriculture

- Promotion of more flexible food markets, improving production flows in local communities. To promote the sales channels for local products (80% of daily expenditure to delivery points).
- Public national campaign “Alimente quem o Alimenta” to promote local foods markets.
- Access to Trade Control and Expert System (TRACES) to allow for the online management for all sanitary requirements on intra-EU trade and importation of animals, food, feed and plants.
- Support to the viticultural (wine) sector to respond to the crisis (EUR 10 million, through EAGF), 12 May.

Sea

- Credit line (subsidised) aimed at operators in the fishing and aquiculture sectors (EUR 20 million).
- Suspended fishing activities on weekends between 10 April and 31 May, to adjust supply/demand.
- Financial mechanism to support fishers, due to supply suspensions and reduced demand (EUR 3.5 million).
- Suspended berthing tax for 90 days, and adapted online auction for fisheries (schedules, pricing).
- More flexible usage of EU financing to reallocate support to financial (wage) compensations.

Foreign Affairs and Cooperation

- Review of Strategic Programmes for Cooperation between Portugal and Portuguese-speaking African countries (PALOP) and Timor-Leste, to cover social sectors: healthcare, labour market, social security, energy, water, sanitation and hygiene (WASH). Including EU delegated cooperation.
- Co-financed support line for NGOD in the field of healthcare (EUR 750,000).
- Co-financed support line for development projects by ONGD (EUR 1.8 million).
- Anticipation of support transfer to the State budget of Cabo Verde (EUR 500,000).
- Anticipation of the national contribution to the FASE Fund (education) in Mozambique (EUR 250,000).
- Additional contribution to the UN system (EUR 1 million).

Borders

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

Mobility

- Mandatory curfew to all tested positive or in active surveillance (in hospital, or at home).
- Special duty of protection to risk group (+70 years old / severe diseases), with call for limited mobility.
- General call to avoid unnecessary displacements and to promote social distancing.
- State of calamity in Ovar, with mobility restrictions to and from this municipality (17 March-17 April).

- Limits to circulation during Easter period, in-between local municipalities (9-13 April).
- 14-day isolation period for all passengers on flights to the Azores and Madeira, since 14 March.
- The Azores built a cordon sanitaire in São Miguel island, between 3-17 April.
- Madeira implemented a cordon sanitaire in Câmara de Lobos (17 April to 3 May).
- Temporary waiver of resting and driving time-limits for transport of goods (27 March-10 April).
- Maximum 2 occupied seats per taxi/ridesharing vehicle (two thirds) (announced on 4 May).
- Maximum of 2/3 passenger capacity for airplanes (exceptions for repatriations) (announced on 4 May).
- Maximum of 2/3 passenger capacity for collective transports (land, river, maritime) (announced on 4 May).

Initiatives from civil society

- National volunteering initiative “Cuida de Todos” for support in nurseries.
- Tech 4 COVID19 gathers 4,000 volunteers to tackle challenges in civil society.
- Solidarity project to support free housing of health professionals, on social media.
- Initiative “Quietinho em casa” to centralise and educate on delivery services.
- “Stay Home, Keep Growing” platform for free events and webinars online.
- COVID.PT and Covindex platforms for the exchange of ideas and projects around COVID-19.
- Mindflow Academy produced mobile gaming apps for a learning experience on COVID-19.
- Platform “SOS Vizinho” to support delivery of essential goods in neighbourhoods.
- Platform “Quero Ajuda” to centralise volunteering initiatives.
- “Hora de Encomendar” helps identify local small and medium suppliers in activity.
- “Vent2life” project helps in the recovery of hospital equipment.
- “Sem Filas” and “Posso ir?” platforms gather real time waiting times in open businesses.

De-confinement plan announced on 30 April, revised on 15 May

- General rules, as from 4 May: mandatory usage of masks in public transports, schools and closed spaces; and disinfectant gel. Regular sanitization of public spaces. Max capacity of 5 people per 100m² and 2/3 in public transports. Social distancing (2 meters). Prohibition of crowds (more than 10 people).
- As from 4 May: keeping mandatory telework; conditioned access to beaches; funerals limited to family.
- Lifting confinement measures, as from 4 May: small commerce; hairdressers, barber shops, beauticians; public services (assistance counters); dentists; auto stands; bookstores, libraries; individual sports; gardens.
- On 18 May: kindergartens (optional); 11th/12th students in high school; restaurants, cafés, pastries and esplanades (50% capacity limitation and other rules); camping; stores until 400 m²; museums and monuments; social institutions.
- After reassessment, possible lifting of measures on 30 May: football (closed doors) and religious ceremonies. On 1 June: kindergartens, pre-school, recreational centres; administrative service centres (“Loja do Cidadão”); malls and other stores; cinemas and theatres; teleworking.
- On 1 June: start of the bathing season (beaches with specific rules).
- Reopening to be determined: bars, clubs, gyms, fairs and markets.

RO



- Expenditure measures

General

- On 17 April the authorities published the 2020 budget amendment, with an increase of total expenditures by RON 12.5 billion compared to the updated programme. This includes RON +6.9 billion on social spending and RON +3 billion on emergency reserve fund. The budget amendment includes additional EU transfers of RON 3.9 billion.

Health expenditure

- The government adopted an emergency ordinance (GEO 11/2020) regarding emergency medical stocks, as well as some measures related to the establishment of quarantine, covering the need for products utilized for emergency services, including thermal scanners, as well as measures associated with quarantine (reported budgetary impact RON 225 million). The law was signed by the President on 17 March.
- The government also adopted two decisions for preparing Romanian medical units to deliver services to patients infected with COVID 19, as well as streamlining priority actions for treatment of critical patients, and for reimbursement of local governments' expenditure related with quarantine (reported budgetary impact of RON 392 million)
- The Government would like to use an extra EUR 350 million from EU funds for purchasing Covid-19 tests, protective equipment and mechanical ventilation equipment (24 March). The Ministry of European Funds announced on 25 March an additional allocation of 682 million EUR from EU funds (ERDF) for the General Inspectorate for Emergency Situations for acquisition of medical and emergency equipment.
- The 2020 budget amendment of 17 April increased the budget for the settlement of medical leave by RON 1 billion.
- Government introduced bonuses of app. 500 EUR per month to health workers treating Covid-19 patients. It also mobilised 1,000 social workers caring for elderly that are in home isolation and need support. The budget amendment of 17 April provided RON 576 million of increased allocation for public wages.
- On 15 May the President signed into law a parliamentary bill granting 30% salary increase to medical personnel dealing with Covid-19 infections, for the state of emergency period and the following 3 months. The law also grants some benefits to the descendants of the medical staff deceased as a result of exposure to COVID-19.

Labour market expenditure

- The authorities adopted a benefit of 75% of wage but no more than 75% of the average wage to parents who cannot work remotely and have to stay home with kids younger than 12 years. The budget amendment of 17 April provides RON 1.4 billion for this purpose.
- The government adopted on 18 March and published on 21 March an emergency ordinance (OUG) 29/2020 on supporting local businesses in the context of the crisis caused by the coronavirus, along with OUG 30/2020 that amends existing regulations to bring them in line with the current conditions. According to the

statements by the government, the package of measures presented on 18 March (including technical unemployment and Intervention Fund) represents a budgetary effort of 2% of GDP.

- Based on the ordinance 29/2020, the state will pay the technical unemployment benefits on behalf of the companies who send their employees home and suspend their activity due to the restrictions imposed by the authorities for limiting the coronavirus outbreak or because of financial problems caused by the Covid-19 crisis. It amounts to 75% of the gross salary (as much as the monthly unemployment benefit), but not more than 75% of the (national) average salary. A total of 250,000 labour contracts have been suspended by 23 March, 862,000 by 2 April, 1,046,527 by 13 April and 634,709 on 15 May. The budget amendment of 17 April provides RON 4 billion for technical unemployment benefit and RON 3 billion of additional emergency funds which could be redirected for this purpose. The Government announced that the payment of the technical unemployment would continue after the end of the state of emergency (15 May) and until 1 June. For companies whose activities are impacted by the restrictions that will have to remain in place, it could continue after 1 June.
 - Emergency ordinance 30/2020 also gives a possibility for the state to pay the minimum wage to those who cannot claim technical unemployment, like self-employed or micro/family enterprises. The budget amendment of 17 April provides RON 1.9 billion for this purpose.
 - Emergency ordinance 92/2020: starting with June 1, 2020, 41.5% of the corresponding gross basic salary of the employee, but not more than 41.5% of average gross earnings is supported from the unemployment insurance budget for a period of three months for the employers whose employees benefited from the provisions of GEO no. 30/2020, as well as the employers whose employees had their individual employment contracts suspended in accordance with the provisions of Law no. 53/2003 (Labor Code), during the state of emergency or alert. The employers have the obligation to maintain employment until 31 December 2020, except for seasonal workers.
 - Emergency ordinance 92/2020: a monthly aid of 50% of the employee salary, but no more than 2,500 lei for employers who employ young people between 16-29 years old and people over 50 years old. The aid is provided for a period of 12 months, since the date of employment which must be no later than December 31, 2020. In order to benefit from these facilities, companies must comply with certain conditions, such as maintaining employment for a further 12 months from the 12 months for which support is provided. (comment: this is not strictly COVID related).
- Tax measures
 - Speeding up VAT reimbursements.
 - Suspending (or not starting) the forced execution of amounts due to the state budget with the exception of amounts resulting from a court decision in criminal cases.
 - The deadline for the payment of the tax on building, land and transport equipment (local taxes) was postponed from 31 March to 30 June.
 - Based on emergency ordinance 29/2020, during the state of emergency and +30 days after it has ended, tax obligations that become due and are not paid on time are not considered as being outstanding tax obligations (no interest nor penalties are charged for non-payment and enforcement measures are not used by the tax administration.).
 - On 26 March the government approved a draft GEO (33/2020) with a rebate for taxpayers who pay the corporate income tax by the April 25 deadline (for the first

quarter of 2020), as follows: 5% for large taxpayers, 10% for remaining taxpayers. On 23 April the parliament extended the 10% rebate to all CIT taxpayers and also to the payments due on July 25, 2020 for the second quarter and October 25, 2020 for the third quarter.

- The draft GEO of 26 March also provides that during the period of emergency and 30 days after the cessation of emergency, VAT is no longer required for imports of medicines, protective equipment and other medical and sanitary devices that can be used to prevent, limit and combat COVID-19. Impact on cash flow.

- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - The package of measures adopted on 18 March also provide for an Intervention Fund (which will finance a programme called SME INVEST) of RON 10 billion (which was twice increased, to RON 15 billion and to RON 30 billion) to offer guarantees to SMEs for contracting loans for financing investment and working capital. The Ministry of Finance will guarantee 80% of loans for SMEs and 90% of loans for microenterprises. The Ministry of Finance pays the grants representing 100% of the interest associated with the guaranteed loans until the end of 2020 and of the management and risk fee, within a state aid scheme associated to the program. The budget of the state aid scheme: RON 781 million. Three weeks after its launch, the SME Invest was oversubscribed 5 times, as more than 54 thousand SMEs asked for financing, amounting to around 74 billion RON. Until the end of June, 8,300 companies had access to financing of RON 7.2 billion through the program.
 - On March 26, the government approved a bill that allows loan payment deferral by up to 9 months for debtors affected directly and indirectly by the coronavirus crisis. The measure applies to both households' and companies and only on loans that do not report overdue payment. The bill's application methodology concerning selection of beneficiaries is contained in the Government Decision no. 270/2020. The cumulative interest rate for the deferred payments will add to remaining debt, equally distributed until maturity. Mortgage loans are an exception, as those require interest payment in maximum 5 years, but the state guarantees it payment 100%. Interested and eligible debtors must file a request in this regard to banks by the end of the state of emergency for benefiting from the measure. By 22 June, the banks have assessed and accepted 90% of the approximately 362,000 requests from debtors to delay loan repayment, according to a release of the Romanian Bank Association (ARB). The rest are currently being processed. 334,000 requests came from individuals and around 28,000 from firms. Up to this point, requests have been filed for 22% of the total number of loans to households and 28% of corporate credits.
 - SMEs in possession of an emergency certificate issued by the Ministry of the Economy can postpone payment of utilities and rent for the duration of the state of emergency.
 - Banks offer certain facilities to clients affected by the coronavirus crisis, notably a deferral of the repayment deadlines for loans (generally from 1 to 3 months). These are not to be treated as 'bad debtors' by the NBR.
 - On June 4, 2020, the Government of Romania approved a Memorandum on support measures for large companies and small and medium enterprises with a turnover of over 20 million lei and to be implemented by Eximbank:
 - A first measure consists in granting three categories of guarantees, in the name and on behalf of the state, for companies affected by the COVID-19 pandemic, covering the guarantee requirement in a maximum proportion of 90%, for new or already granted loans by commercial banks.

- The second measure is to provide state aid component financing, in the name and on behalf of the State, for companies affected by the COVID-19 pandemic.
 - The Framework Scheme is currently in the process of informal consultations with the European Commission in order to obtain the preliminary opinion, following the decision approving this Memorandum, EximBank will send the final notification of the Scheme to the European Commission.
 - After the authorization of the scheme by the Commission correlated with the granting of the related funds by the Ministry of Public Finance, in accordance with the provisions of Law 96/2000 on the organization and functioning of the Export-Import Bank of Romania EximBank SA, republished, EximBank will develop rules for its implementation. It will define several specific financing and guarantee products that will be subject to CIFGA (Inter-ministerial Committee for Financing and Guarantees) approval.
 - The financial instruments with state aid component will be available from the date of publication of the Rules for the application of the products in the Official Gazette of Romania for beneficiaries who submit an application no later than 30.11.2020, and the granting of credits and guarantees (signing of guarantee / credit agreements) will be made until 31.12.2020, inclusive
 - The third measure consists of the granting of de minimis products, namely the offsetting of interest on outstanding loans, the grant of interest on new loans and de minimis guarantee ceilings for working capital loans granted by commercial banks. The financial instruments with de minimis aid component will be available from the date of publication of the Rules for the application of the products in the Official Gazette of Romania and until the date of exhaustion of the allocated budgets.
 - The fourth measure is the granting of loans, guarantees and insurance on market terms in the name and on behalf of the State. The current standard products offered by EximBank will be used for this purpose.
 - The Romanian Government intends to allocate an additional budget of 6 billion lei for the implementation of the new product portfolio by EximBank with state aid and de minimis component for support measures A, B and C, with the possibility of additional 2 billion lei depending on the requests for financial products offered by Eximbank for these measures.
 - The package of measures established by this Scheme represents a complementary intervention of support from the state addressed to those categories of beneficiaries that do not fall within the eligibility criteria established by the SME Invest Program approved by GEO no. 110/2017, with subsequent amendments and completions. The new Scheme is aimed at large companies that do not have access to funds under the SME Invest Program and cannot obtain additional funding at a higher level, as this facility is only for SMEs.
- Other
 - State of emergency on 16 March – 15 May. Replaced by state of alert from 15 May.

SI



- Expenditure measures
 - On 2 April, the National Assembly has adopted the first anti-corona legislative package for a rapid financial assistance to the population. The measures were applied retroactively from 13 March (some of them from 11 April) to 31 May this year:
 - Pensioners with pensions below EUR 700 received a one-off crisis bonus

in the amount of EUR 130-300. One-off crisis bonus was also paid for all students (EUR 150), families with three (EUR 100) or more children (EUR 200), families with less than three children with lower income (EUR 30 per child), persons from vulnerable groups with low income (EUR 150). (estimated budgetary impact: EUR 104m)

- For temporary lay-offs, the state covered the pay compensation, meaning 80% of the average full-time wage in previous 3 months up to the average salary in 2019, and social security contributions (if employer's income in 2020 was expected to decrease by more than 10% compared to the income in 2019). Workers who were forced to stay at home for looking after their children because of the fact that kindergartens and schools were closed or because of the inability to come to work due to the shutdown of public transport or the closure of national borders, were also entitled to 80% of salary compensation and the compensation of all social security contributions paid by the state. (estimated budgetary impact: EUR 400m)
- Self-employed workers, farmers and religious workers whose business was affected by the crisis were entitled to a monthly basic income in the amount of EUR 350 in March and EUR 700 in April and May (if they anticipated a decrease in income by at least 10% in 2020 compared to 2019). The state also covered their social security contributions for April and May. (estimated budgetary impact: EUR 175m)
- All pension insurance contributions for employees who remained in the workplace were paid by the state in April and May, except for companies in financial and insurance sector with more than 10 employees or entities financed from public sources. (estimated budgetary impact EUR 450m)
- Payment deadlines for payments to private suppliers from public funds were reduced from 30 to 8 days. In case when public sector is creditor, the payment deadline is 60 days.
- Wages of all high officials at the national level were reduced by 30% in April and May. (estimated budgetary saving: EUR 1m)
- All public sector workers who, due to performing their work during the epidemic, were exposed to health risks more than the average or had higher workloads due to controlling the epidemic, were entitled to an allowance for performing hazardous work and for higher workloads, up to 100% of basic salary. (estimated budgetary impact: EUR 350m)
- The compensations of employees in holders of public authority, public service providers and bodies of self-governing local communities not providing public services during the epidemic were covered by the state budget. (estimated budgetary impact: EUR 100m)
- Those employed in the private sector whose gross basic wage was less than three times the Slovenian gross minimum wage and who were performing their work during the epidemic were entitled to an allowance of EUR 200. This new allowance in the private sector was funded by the employer from the funds relating to the exemption of pension insurance contribution payments.
- Workers who lost their job during the epidemic and were not entitled to unemployment benefits received compensation in the amount of EUR 513.64 gross per month.
- Financing private kindergartens: the state financed 85% of the funding for each child during the period of epidemic. (estimated budgetary

- impact EUR 10m)
 - Measures in the field of agriculture, forestry and food: Holders or members of farms who were sick received financial assistance of 80% of the minimum wage; holders of commercial fishing licenses were entitled to 40% compensation of total mooring fees for fishing vessels in 2020; for aquatic organism growers, the payment of water fee was reduced for 40% of the total value in 2020. (estimated budgetary impact: EUR 0.1m)
 - Sick leave pay of all those who fell ill during the crisis was fully covered by the public health insurance rather than employers having to cover the first 30 working days of absence (estimated budgetary impact: EUR 60m).
 - Employers were exempt from the payment of occupational insurance contributions for all insured who were covered by occupational insurance, regardless of whether they continued to work and received a salary during the period of application of the measures or received compensation for justified absence from work.
 - Reduction of water reimbursement and payments for entities with the right to special use of water, entities dealing with mineral, thermal, or thermal mineral water and for the water needs of public baths.
 - In the field of environmental protection, state intervention and temporary measures were determined for the accumulation of packaging waste at the providers of the mandatory municipal public utility service for the collection or treatment of certain types of municipal waste.
 - In the field of construction legislation, solutions were introduced to enable accelerated start-up of significant investments in the Republic of Slovenia as soon as possible after the end of the COVID-19 epidemic, in such a way as to accelerate the issuance of construction permits, simplify and shorten the prescribed administrative procedures in the Construction Act, and regulations in the field of environmental protection and nature conservation.
- On 28 April, the National Assembly has adopted the second anti-corona package which enables guarantees to banks and savings banks for loans granted in the period between 12 March and end of 2020, and with a maturity of below 5 years. The loans are limited to 10% of annual revenue and annual expenses. Each guarantee amounts to 70% of the loan principal of a large enterprise and 80% of the loan principal of a micro, small or medium-sized enterprise. The total amount of guarantees issued under this Act may not exceed EUR 2 billion (conservative estimation of guarantee redemption is EUR 485m over 5 years).
- On 29 May, the National Assembly has adopted the third legislative package taking effect on 1 June and estimated to be worth around EUR 1bn. The package includes:
 - Subsidies for short-time work which will be available to employers that cannot secure at least 90% of the usual workload for at least 10% of their employees and the state will subsidise up to 20 hours weekly. The measure will apply until the end of the year. (estimated budgetary impact EUR 340m)
 - Extension of wage compensation for temporary lay-offs until end June 2020 (estimated budgetary impact 50m).

- Vouchers for citizens to be spent in tourism facilities in Slovenia until the end of the year (EUR 200 for people older than 18 years and EUR 50 for children).
 - Financial incentives in the form of grants and loans for SMEs.
 - The package also relaxes the conditions for investment incentives until 30 June 2021.
- On 9 July 2020, the National Assembly has adopted the fourth legislative package including intervention measures for preparation for the second wave of COVID-19. The measures include:
- Extension of wage compensation for temporary lay-offs until end July 2020 with the possibility of extension of the measure until end September (estimated budgetary impact EUR 150m).
 - Determination and payment of compensation for employees in quarantine: workers ordered to stay in quarantine will be entitled to wage compensation and employers will be able to claim a refund of this compensation until 30 September 2020.
 - Emergency aid related to institutional care under the Social Assistance Act (EUR 31m).
 - Establishment of a basis for the operation of a mobile application for informing healthy people about contacts with those infected with the COVID-19 virus and persons who have been ordered to be quarantined. Installation and use of the mobile application will be voluntary and free of charge, except in cases where the person is confirmed positive for the virus or has been ordered quarantined - in these cases, this person must install the mobile application so that a random code can be entered.

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

- Budget users involved in the implementation of cohesion policy had to come up with proposals for reallocating resources from European Social Fund and European Regional Development Fund to business support measures, job retention and health measures, and were invited to prepare new or adapted measures due to epidemic. (savings estimated at around EUR 185m)
- State guarantees and credit lines are planned to provide liquidity to businesses, preserve jobs, reduce losses and make sure companies' market position does not deteriorate. Roughly EUR 600m (1.3% of GDP) will be made available to economic operators with revised conditions from existing financial mechanisms available at SID Bank, the state-owned export and development bank. It will also provide EUR 200m for new measures. The Slovenian Enterprise Fund will have EUR 115m available for small and medium-sized companies (EUR 80m of which as guarantees), while the Slovenian Regional Development Fund will offer a scheme under which companies will be able to roll over debt.

- Tax measures

- Reduction of the administrative burdens on companies (pushing back the deadlines for tax documentation filings for businesses from 31 March to 31 May) (no budgetary implications).
 - Companies will be able to ask for a deferral of corporate income tax of up to two years or for paying tax in up to 24 instalments within two years. A deferral is already possible now, but conditions will be softened and simplified (no budgetary implications, shortfall in liquidity estimated at EUR 100m).
 - Corporates and private entrepreneurs were not required to pay advance tax payments for 2020 due for the period of April and May 2020.
 - Reduction of the tax base (by 50%) from potential market income from cultivation on farmland by 50% from cadastral income and reduction of the tax base from potential market income from production in hives by 35% of the lump-sum estimate for the hive for advance payments of personal income tax.
 - Self-employed may decide to postpone their social security contribution payments in April, May and June 2020. (no budgetary implications, shortfall in liquidity estimated at EUR 25m).
- Sectorial, regional measures, or measures other than fiscal (e.g. labour)
 - The Slovenian government has formally called an end to the coronavirus epidemic on 14 May; however, key containment measures remained in place.
 - Schools and educational institutions were closed on 16 March, with gradual re-opening of kindergartens, primary schools and secondary schools for final-year students as of 18 May.
 - On 7 June 2020, the government issued a Decree on ordering and implementing measures to prevent the spread of the infectious disease COVID-19 at border crossings at the external border and at checkpoints at the internal borders of the Republic of Slovenia. With an amendment of the Decree on 14 May, the government decided to impose a mandatory 14-day quarantine for persons arriving from countries with a worsening epidemiological situation as of 19 June.
 - Special measures in health (entry points for testing, extra teams, etc) and new crisis health management (no quantified impact yet).
- Other
 - The new government banned air transport, public transport, the provision and sale of goods and services directly to consumers (except for food stores, pharmacies, banks, petrol stations, post offices, with gradual easing of restrictions as of 20 April). Public transport has been resumed as of 11 May and the ban on international air travel has been lifted as of 12 May. On 11 June, the government has issued the Ordinance, relaxing the restrictions on conducting national and international public passenger transport. All shops were allowed to open on 18 May, while bars and restaurants are able to serve patrons indoors again. Tourism reopened as of 18 May, starting with smaller operations (max. 30 beds). The majority of sports activities were allowed to resume on 23 May, including practices and recreation in indoor facilities and trainings and competitions in team sports. As of 15 June, it is again allowed to organise international sports competitions and spectators can attend sports events. Accommodation for spa guests, wellness and fitness centres, pools and water parks reopened on 1 June. As of 25 June, wearing of face masks and disinfection of hands is again mandatory in indoor public places and in public transport. Nightclubs and discos must still remain closed.
 - The government set the maximum prices for protective medical gear and other

- medical equipment.
- Establishment of new high level governmental group for tackling key sectors and unexpected crisis (moderate spread, info system, communication) plus establishment of a target crisis oriented headquarters (the latter has been abolished as of 24 March).
 - Suspension of all activities related to car registration (no more suspension as of 20 April) and driving schools (no more suspension as of 18 May).
 - The National Assembly has adopted an emergency bill to allow banks to defer borrowers' liabilities by 12 months. Companies, sole traders, farmers, societies, cooperatives and institutions, as well as self-employed and natural persons, if they are Slovenian citizens, will be able to postpone the loan. An application for the deferral of loan agreement liabilities may be submitted to a bank no later than six months after the declaration of the end of the virus epidemic, and the act shall be valid for 18 months after the end of the epidemic (no budgetary implications). In the context of this measure, the first anti-corona legislative package includes a guarantee scheme. For those who have been temporarily banned from pursuing an activity due to the government or municipal decree, a state guarantee amounts to 50% of the sum of 12 deferred instalments of credit. The same applies to borrowers who are natural persons. In all other cases, the guarantee amounts to 25% of the sum of 12 deferred monthly instalments of credit that would mature in the period for which the deferral was agreed. (maximum amount set in the law: EUR 200m)
 - The National Assembly has adopted a bill on emergency measures for agriculture and food products, meat and wood products (allowing the government to set prices for individual groups of food products and limit their traffic). (estimated budgetary impact: EUR 5m)
 - The National Assembly has adopted a bill introducing temporary measures concerning judicial, administrative or other public affair issues (suspending all deadlines in court procedures, suspending for a month prison sentences in cases without safety risks and the option of early release from prison). (gradual restarting of some activities as of 5 May and full suspension of measures as of 1 June)
 - The government has adopted the Ordinance on temporary measures in healthcare to contain and manage the COVID-19 epidemic (suspending the provision of non-urgent preventive health services and dental services, cancelling all non-urgent specialist examinations and surgeries, redeploying the employees who provide preventive health services to tasks related to the containment and control of the COVID-19 epidemics). (restarting of all activities as of 9 May)
 - The government has issued the Ordinance which lowers the electricity bills for household customers and small business customers (by around 20%) due to the reduced price of power and network charges, in force from 1 March until 31 May.
 - The government has issued the Ordinance on the mandatory disinfection of multi-dwelling buildings (abolished on 14 May).
 - The government has adopted the Ordinance on the temporary general prohibition of movement and public gathering in public places (public gatherings up to 500 people were allowed under certain conditions as of 15 June; as of 8 July number of people on a gathering is reduced to 10 and 50 in exception) and the prohibition of movement outside the municipality of permanent or temporary residence (lifted as of 30 April). Police powers have been expanded (allowing the police to issue fines for violations of lockdown

rules, erect road blocks, temporarily limit people's freedom of movement and access sensitive personal data).

- The Bank of Slovenia has adopted a macroprudential measure placing temporary restrictions on banks and savings banks in their profit distribution which is expected to be in place for one year.
- On 14 May, the government has temporarily exempted personal protective equipment from import duties and VAT.
- The National Assembly has adopted an emergency bill for the elimination of obstacles to the implementation of important investments which will be in force until end 2021. In line with the bill, the government has compiled a list, currently including 187 investments worth EUR 7.7bn that will get priority treatment in all procedures.

SK



The government adopted a set of measures during the pandemic period to mitigate the economic impact. The fiscal impulse due to these measures is estimated to be around 3.5% of GDP in 2020. The expected accrual impact of 1.3% of GDP is expected on the revenue side and 2.2% of GDP on the expenditure side. Guarantees of 1.6% of GDP are assumed to be provided. The expected cash impact of tax deferrals is 1.1% of GDP. Initially, measures were designed mainly for self-employed people and small firms as big companies were not closed compulsorily.

- Expenditure measures
 - A subsidy was introduced to maintain employment ('kurzarbeit'). The state will reimburse 80% of employees' gross wages if the company had to suspend its activity based on the government's decision. The subsidy can be used by employers if they could not assign different work to employees and employees did not use nursing benefits or were on leave. The aid is granted on the condition that the employer does not dismiss the employee in the two subsequent months. The measure was originally aimed at small and medium companies but the government enlarged it also to big companies later.
 - Wage compensation can under similar conditions be paid to employers (including self-employed persons who are employers). They can apply for contribution to compensate the costs of employee's wages up to 80% of his average earnings or for a flat-rate contribution to cover a part of the salary cost, depending on the decrease in sales. They are eligible to apply for if sales decreased by more than 20%.
 - Self-employed persons, who had to close their businesses on the basis of the government decision or if their sales declined by more than 20% (10% in March) due to the government decision, can apply for a compensation of lost revenue. Eligible are self-employed persons who paid sickness and pension insurance until March 31 and who are not also employees or had already had their business suspended.
 - Another kind of subsidies can also be granted to self-employed persons who were not insured, people working based on other than employee contracts, single-person limited liability companies and have no other income.
 - Five guarantee schemes were introduced during the pandemic. Three programmes have been prepared already before the pandemic and are in line with de minimis rule. They are provided by the Slovak Guarantee and Development Bank, EXIMBANKA and the Slovak Investment Holding. These guarantee schemes will be in place by 2023 and loans can be used to finance

investment or operating costs. Two programmes were launched according to the new temporary framework set by the European Commission. There is a 90% guarantee scheme for loans up to EUR 2 mil. provided to micro companies with interest rate 3.9%. The guarantee is provided by the Slovak Investment Holding. The guarantee scheme of 80% was prepared for SMEs by EXIMBANKA. Guarantees are provided for loans between EUR 2 and 20 mil. with interest rate 1.9%. New programmes are without bonus but if the employment is sustained for 12 months, guarantee fees are subsidised. These two guarantees can be used only at loans for operating costs. The main aim is the liquidity support. Programmes will be in place only by the end of 2020.

- A part of EU funds was reallocated to cover the effects of the crisis and stabilize the economy. For instance, the Ministry of Economy reallocated unspent EU funds to an amount close to EUR 300 mil. to be used for the Slovak Investment Holding and the Slovak Guarantee guarantee scheme.
- Both parents in quarantine (sickness benefits) and people taking care of a family member (nursing benefits) will receive 55% of their wages during the pandemic. Until now, the employer had paid compensation on the first days.
- The time for receiving unemployment benefits is extended by one month. State will provide bank loans guarantees to entrepreneurs of EUR 500 mil. per month.

- Tax measure

- The submission of tax returns and tax payments for 2019 are delayed until one month after the pandemic will be over.
- Tax overpayments will be returned earlier.
- Deadlines for the submission of financial statements, annual reports and audit reports to the registry were postponed.
- Tax losses from years 2015-2018 can be claimed in 2019 tax returns.
- Taxpayers will not have to pay advances on PIT and CIT in pandemic months or quarters if their sales decreased at least of 40% in the previous month/quarter compared with the same time of 2019.
- Advances of the motor vehicle tax need not be paid by taxpayers during the pandemic. These advances will be paid in January 2021.
- Taxpayers can still decide on the determination of the paid tax. However, non-profit institutions will receive these funds when taxpayers pay them. They will be allowed to use them until the end of 2021.
- Payments of health and social insurance contributions paid by employers will be postponed if revenue was decreased by more than 40%.
- The submission of tax returns and tax payments for 2019 are delayed until one month after the pandemic will be over.
- The exemption from custom duties and VAT on imports of medical material from third countries – goods imported for benefit of disaster victims of minor value or sent between natural persons.
- Lists of tax borrowers and VAT tax payers, who have infringed their obligations during the pandemic, are not updated.
- Tax controls and tax procedures, which had been initiated before the pandemic period or during this period, are interrupted except for those which result in the return of funds.

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

- All schools (including kindergartens and universities) are be closed from 16 March. Leaving examinations will be postponed.

- The Slovak Guarantee and Development Bank will provide short-term loans to some sectors with simplified requirements and procedures – e.g. restaurants, canteens etc.
 - Money in the Slovak Investment Holding were earmarked for private sector investments.
 - The conditions for providing a job maintenance allowance for SMEs and sole traders will be simplified.
 - All ministries will revise their contracts.
 - Citizens, self-employed persons and small and medium-sized enterprises can apply for the deferral of loan instalments by up to 9 months. Interest on the loan shall be paid during the suspension of the instalments. If a non-banking institution provided the loan, the borrower can ask for a deferral of loan repayment for 3 months with the possibility of extension for another 3 months. The deferral will not adversely affect the entry in the loan register.
 - The National Bank of Slovakia has implemented measures as part of a coordinated approach with the ECB and European Banking Authority. Banks may partially meet Pillar 2 requirements using capital instruments that do not qualify as common equity tier 1 capital; and banks may, in justified cases, temporarily operate below the capital defined by the recommendations from Pillar 2. In addition, banks will also, where justified, be temporarily exempted from full compliance with the liquidity coverage ratio (LCR) and capital conservation buffer (CCB).
 - The National Bank of Slovakia also decided to leave the countercyclical capital buffer (CcyB) rate unchanged at 1.5% as of 1 August 2020, repealing its previous decision to increase the rate to 2%.
- Other
 - VW, the biggest employer in Slovakia, partially restarted its production in Bratislava on 21 April. The other 3 carmakers (PSA, Jaguar Land Rover, Kia) have gradually followed suit or are to reopen by mid-May. The ramping up of production is gradual.

The gradual easing of measures will be based on the expert opinion of epidemiologists and infectologists. If the number of infected people does not increase, conditions will be relaxed in 2-week phases. The Slovak authorities will take into consideration the 7-day moving median of daily increments.

FI



Expenditure measures

- The Parliament adopted the first supplementary budget on 26 March, amounting to about EUR 1.3 billion in appropriations covering years 2020-2022. The budget was composed of measures to support businesses as well as health and epidemic-related spending.
- The Parliament adopted the second supplementary budget on 16 April, including the measures adopted under the first budget and adding new ones, totalling EUR 4.1 billion (1.8% of GDP) over 2020-2022.
- The government proposed the third supplementary budget on 8 May.
- The government proposed the fourth supplementary budget on 2 June, focusing on measures supporting quick economic recovery and on aid to municipalities and. **The fourth supplementary budget has a broad composition** compared to the previous supplementary budgets, covering wellbeing of children and youth, social security, infrastructure investment, education and RDI, environment, business grants and capital, VAT rebtributions

for companies and financial support for the local government.

- The Ministerial Committee on Economic Policy supported the introduction of the exceptional situation mechanism at its meeting on 20 May. The Government Programme includes a mechanism that can be activated in the event of an exceptional economic situation, allowing for an increase of up to EUR one billion in one-off expenditure.
- The subsidies for companies amount to EUR 1.8 billion (0.8% of GDP) and include EUR 1.2 billion of grants to enterprises provided via Business Finland (targeted at SMEs in most affected sectors) and Centres for Economic Development, Transport and the Environment (ELY Centres; for self-employed and small enterprises that employ 1-5 people), EUR 0.25 billion liquidity support for the self employed, EUR 0.04 billion for agricultural enterprises and EUR 0.12 billion for restaurants. The government has also allocated EUR 0.7 billion for acquisition of shares of state-owned enterprises, e.g. Finnair.
- On 2 June, the Finnish government proposed a new form support for companies, providing them with compensation for fixed and employment costs, distributed directly by the State Treasury. EUR 0.3 billion (0.1% of GDP) has been allocated for this instrument, which is set to replace subsidies distributed by Business Finland and ELY Centres.
- The supplementary budgets provide for health care and other epidemic-related spending amounting to EUR 0.9 billion (0.4% of GDP), including EUR 640 m for procurement of protective equipment, devices and medicines by the National Emergency Supply Agency, EUR 12.8m for the National Institute for Health and Welfare, EUR 5m for international non-profit organisations (CEPI, IVI) and EUR 10 m for the Academy of Finland to develop a vaccine, EUR 20 million for testing and medical instruments and EUR 6 million for development of a tracing app. In addition, it includes appropriations of about EUR 27 million for police expenses and enhanced border controls. There is also a non-allocated buffer of about EUR 200 million.
- Labour market: on 18 March social partners made a common proposal to the government on the urgent measures required to limit the negative impact of Covid-19 on the labour market. The government has accepted most of the social partners' proposals. The preliminary estimate of their total cost amounts to EUR 1.3 billion. This includes reduction of private sector employers' pension payments by 2.6.% starting on 1 May and lasting until the end of the year, with total cost estimated at about EUR 1 billion to be paid from the EMU-buffer and to be compensated by increased payments over 2022-25. Besides, EUR 0.3 billion is the estimated cost of the following temporary extension of unemployment benefit schemes:
 - o Shorter notice period for lay-offs (reduction of the lay-off information period from 14 to 5 days), changes in termination during a trial period, introduction of the right to lay off an employee with a fixed-term contract;
 - o Extended right to unemployment benefit during lay-off: entrepreneurs, including freelancers and the self-employed, will have a temporary access to unemployment benefits;
 - o Abolishment of the 5 day waiting period before a person is eligible for unemployment benefit, hence allowing payment from day 1;
 - o Enhanced eligibility for unemployment allowance thanks to reduction of the required time to be employed from 26 to 13 weeks;
 - o Unemployment allowances paid on the grounds of COVID-19 related lay-offs will not be taken into account when calculating the maximum

period of payment.

- EUR 94 million for temporary support for those absent from work with no pay, including for parents who care for children at home and persons arriving to Finland from abroad who have been placed in quarantine-like conditions.
- Education: EUR 69.4 million, of which EUR 60 million will be allocated to cultural, physical activity and youth workers.
- Other expenses: about EUR 78 million are bookmarked to cover *inter alia* administrative expenses of various institutions distributing the state support, including KELA, Business Finland, ELY Centres and TE Offices.

Tax measures

- The tax system offers possibility to delay tax payments. The preliminary estimate by the MoF puts total tax deferrals in 2020 at around EUR 1.4 billion. Companies may also benefit from flexible payment arrangements for social security contributions (up to 3 months, subject to Ministry of Social Affairs and Health approval). These delays will have no impact on the budgetary deficit as they will be accounted on time-adjusted basis, but they will be recorded as the government debt.
- Companies have been offered interest rate reduction from 7% to 4% for taxes that expired after 1 March.
- On 20 May, the Government proposed that value-added tax (VAT) already paid in the early part of 2020 could be returned to businesses as part of revised payment arrangements. Under these arrangements, a rescheduled payment scheme would be drawn up for the later payment of the returned tax amount.

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

- State guaranteed loans: increasing Finnvera corporate financing from EUR 2bn to EUR 12 billion EUR; accelerating financing decisions to be taken in 3-4 days; increasing the ratio of public compensation for potential credit losses from 50% to 80%.
- State guarantee of EUR 600 million for Finnair as collateral for premium lending of Finnair plc earnings-related pensions (employee pensions refinancing) to Ilmarinen Mutual Pension Insurance Company.
- State guarantee of EUR 600 million for shipping companies to ensure cargo traffic important to security of supply by the National Emergency Supply Agency.
- Investment loans for companies via Business Finland (EUR 0.3 billion in 2020-2022) and stabilisation funding for healthy companies with a high employment impact via state-owned private equity company TESI (EUR 0.15 billion). These investments are not recorded in the general government deficit but increase the government debt.
- Social security (automatic stabilisers): about EUR 1.5 billion for unemployment, housing and social assistance benefits, due to the increase in unemployment rate and lay-offs. The main items include:
 - o EUR 1.1 billion to the earnings-related component of unemployment benefits and job alternation compensation and to the basic security component of unemployment benefits. Of this amount, EUR 794m is due to the growth in unemployment and lay-offs and EUR 20m is intended to subsidise the functioning of the unemployment funds;
 - o EUR 169m for financing increased basic social assistance;
 - o EUR 177m for financing increased housing allowance expenditure;
 - o EUR 30m for implementation of the Self-Employed Persons Pensions

Act. The need for funding is due to the reduction in the earned income of the self-employed and in the revenue from pension insurance contributions.

- EUR 20m in financing for the unemployment funds' operating cost.
- Municipalities: at least EUR 1 billion or the municipal support package in the course of 2020, to be adopted in the fourth supplementary budget in 2020. The state will compensate the hospital districts for additional costs of intensive care. The municipalities' share of the corporate tax will be increased in the second part of 2020. The state's contribution to funding of social and healthcare services will be temporary increased in 2020. The discretionary state contribution will be increased. A sum of EUR 567m has already been included in the second supplementary budget to compensate for the losses in municipal tax revenues.

Other

- Bank of Finland will invest EUR 1 billion on the domestic bond market, mainly in bank and SME papers.
- State Pension Fund will be temporarily directed to increase investments in commercial papers of Finnish companies (EUR 0.5 – 1 billion).
- The Financial Supervisory Authority has reduced capital requirements for credit institutions thus increasing their lending capacity by about EUR 30 billion.
- The government adopted an EUR 0.8 billion guarantee for the Employment Fund (a social security fund) so it can finance a deficit in its cyclical buffer.
- Guarantees have also been proposed as part of EU instruments mitigating the impact of the pandemic. The government may grant a guarantee of EUR 0.4 billion on loans granted under the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) and a guarantee of EUR 0.4 billion to the European Investment Bank against any losses arising from the pan-European EU COVID-19 guarantee fund.
- Social security/financial compensations: the social security system foresees the following allowances to affected employees:
 - An infectious disease allowance: Applicable in case an employee is diagnosed with a major communicable disease. It is a full compensation for loss of earnings, i.e. it is determined by the salary the employee would have received if s/he had been at work.
 - An earnings-related daily allowance: A part-time employee can apply for an adjusted earnings-related allowance, even if in receipt of the infectious-disease allowance, to the extent of a loss of earnings from the part-time work.
- Ministry of Justice is preparing several legislative amendments to limit the economic impact of Covid-19 on business and households. They concern for example limitations for debtors to launch a bankruptcy procedure (the current legislation assumes a company is insolvent if it has not paid its debt within one week of receiving the call for payment); easing up the conditions for the company to enter into a restructuring process; adjustments to debtors' rights due to penalties for late payments, etc. In order to avoid the increasing indebtedness of households, the direct marketing of short-term loans will be prohibited and the interest rate would be capped to 10% (currently 20%).
- Due to critical situation in the agriculture sector caused by the closure of borders, 1 500 foreign seasonal workers are allowed to enter Finland as soon as possible. Refugees residing in the refugee centres are allowed to work in green houses and farms. It is estimated that around 15 000-20 000 seasonal workers

would be needed for vegetable farms and picking berries from May onwards. The Ministry of Economic Affairs and Employment is mapping a possibility to engage unemployed, laid-off employees, students, pupils and refugees for seasonal work. Temporary legislative changes were adopted on 9 April, allowing third country nationals with a valid residence permit to change an employer without an additional residence permit application. These changes will allow foreign workers, whose employment contracts have been terminated or who have been laid off, to move more easily to sectors suffering from labour shortages.

- The government appointed an inter-ministerial working group led by Martti Hetemäki to assess the impact of the coronavirus crisis on the economy and propose measures to support exit from the crisis. The group was supported by a panel of scientists and consulted the social partners, municipalities, civil society and environmental organisations. The group published its Phase 1 report “Impact of the corona crisis and plan for a hybrid strategy for management of the epidemic” on 1 May, which has provided the basis for government’s decision on 4 May to start gradual ease of restrictive measures.
- The Phase 2 Hetemäki report was published on 1 June. It focuses on the after-care phase of the crisis. According to the report, structural reforms should not slow down because of the crisis. Finland should increase borrowing temporarily to make investments and introduce stimulus measures in the aftercare stage but simultaneously begin re-building by, for example, implementing labour market reforms in order to ensure the long-term sustainability of the national economy. According to the Ministry of Finance’s estimate, public finances will need to be strengthened by around EUR 7 billion in order to stabilise the debt ratio in the 2020s.
- The high-level expert working group, which was nominated on 1 April to assess the economic impact of Covid-19 crisis and to propose measures to help Finland get back on track after the crisis, submitted its report to the Ministry of Economic Affairs and Employment and the Ministry of Finance on 8 May. The expert group estimated a considerable loss in output and employment, with a prospect of a new ‘lost decade’. It presented a three-stage economic strategy for dealing with the impact of the coronavirus crisis:
 - o Stage 1: Reduce the immediate adverse effects, focusing on businesses;
 - o Stage 2: A substantial fiscal stimulus; and
 - o Stage 3: Repairing the economic damage and consolidation of public finances.

SE



- Expenditure measures

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

- The part-time employment scheme entails that employers’ wage costs can be reduced by up to 52.5 percent and that the central government covers a large share of the employee’s wage bill. Working hours can be reduced by up to 60 per cent while employees still receive 92.5 per cent or more of their regular salary. Short-term layoffs entered into force on 7 April and will be in effect throughout 2020 but can be applied for retroactively from 16 March. In May–

July the program was extended, allowing employers to reduce working hours by up to 80 percent, while employees keep 88 per cent of their regular salary. The fiscal costs of the program are estimated to SEK 95 billion.

- Government to temporarily assume sick pay responsibility April to the end of July. During August and September the government will compensate employers for higher sick pay costs due to the COVID-19 pandemic. Sickness benefit qualifying day temporarily discontinued until May 31, with an announced extension to September 30. The appropriation for disease carrier's allowance is increased. The government has temporarily suspended medical certificate requirement until May 31 and have announced that the measure should be extended to September 30. Self-employed will temporarily receive standardised sick pays for days 1-14 until May 31, with an announced extension to September 30. Estimated cost: SEK 23 billion.
- Funding of extraordinary costs associated with the COVID-19 virus of municipalities and regions (the appropriation is increased by SEK 5 billion).
- Strengthening of relevant government agencies such as the Public Health Agency, the National Board of Health and Welfare, The Swedish Agency for Economic and Regional Growth, the Swedish Civil Contingencies Agency and SOS Alarm. Fiscal cost: SEK 1 billion.
- Specific support to the cultural sector and sports movements (SEK 1 billion) and local journalism (SEK 700 million). State-financed cultural institutions will receive extra funding to compensate for revenue losses (SEK 319 million is set aside for this). The appropriation for regional cultural institutions increased by SEK 150 million.
- ALMI (the Swedish SME and Entrepreneur Agency) receives a capital injection of SEK 3 billion to increase lending to SMEs.
- Temporary reduction of employers' social security contributions (applies to up to 30 employees and up to SEK 5 300/EUR 500 per employee and month) and individual contributions for the period March to June. Estimated cost: SEK 33 billion.
- Temporary discount for rental costs for firms in branches with considerable difficulties as a result of COVID-19, such as durable consumer goods, hotels, restaurants and certain other activities. The central government will cover 50% of the rental reduction up to 50 per cent of the fixed rent between April and June 2020. SEK 5 billion is allocated for this.
- Temporarily relaxing unemployment insurance eligibility requirements. Under previous rules, workers had to be a member of a fund for 12 months and needed to have worked at least 80 hours/ month for at least six months before qualifying for compensation. Under the new scheme, workers only need to have worked a minimum of 60 hours/month and will be entitled for compensation after only 3 months as a member. This means that more people, also in precarious employment, will qualify for unemployment insurance than before. Both the highest and the lowest amount paid out by an unemployment insurance fund are temporarily raised until the end of 2020. The six initial qualifying days are removed, and insurance will be paid out from the first day of unemployment. The unemployment insurance funds will receive extra funding for administration. Fiscal cost: SEK 6.4 billion
- Expansion of active labour market policies. Fiscal cost: SEK 2.6 billion.
- Relaunch initiative for green jobs. The government is relaunching an initiative for green jobs for people who are far from the labour market. The aim is to create jobs in the area of nature and forest conservation. Fiscal cost: SEK 319 million. To improve young people's entry in the labour market, SEK 180 million

is set aside for summer jobs for young people administrated by the municipalities.

- More places and more distance learning at higher education institutions, more opportunities for vocational education and training for those who lost their jobs and need to retrain in order to re-enter the labour market. Extra expenditure on agencies involved in this. Removal of income ceiling for student aid to enable health and medical care students to help out in the health care sector without their student aid being reduced. Fiscal cost: SEK 2.9 billion
- The Public Health Agency will receive extra funding of SEK 1 billion to increase testing for Covid-19. The focus will initially be on people in critical services, such as health care and the emergency services, to enable them to get back to work sooner. On June 4, an additional SEK 5.9 billion was allocated to large-scale testing for Covid-19 and contact tracing.
- SEK 100 million is allocated to support civil society organisations working with vulnerable children and children and women at risk of domestic violence.
- In 2020 municipalities and regions will receive SEK 21 billion in higher general grants, of which SEK 12.5 billion is a permanent increase in appropriations.
- More flexible rules for the 'waiting list billion' to regions. Large parts of the performance requirements will be temporarily removed for 2020, the funds will instead be paid to all regions based on the size of their population. This can be used to adapt capacity to increased care needs. Fiscal cost: SEK 2 billion.
- Reorientation support to firms based on loss of turnover. Swedish companies that show a loss of turnover that occurred as a direct result of the COVID-19 outbreak of at least 30 per cent in the months of March and April 2020 as compared to the same period last year, can apply for support of 75% of losses, calculated on the basis of fixed costs. A threshold of a minimum yearly net turnover of SEK 250,000 applies. Legal entities can benefit as well as natural persons registered for F-skatt who run a business liable to taxes. The schemes includes provisions against abuse, including limitations on pay-outs and provisions to exclude operations with incompliant tax jurisdictions. Firms can submit application for aid between 22 June and 31 August 2020. The impact on public finances is estimated to be SEK 39 billion in 2020.
- Temporary targeted support to regional public transportation. To mitigate the effect of reduced travel due to Covid-19, regional public transportation will receive SEK 3 billion in temporary state aid. The support will be distributed across regions to the competent authorities based on the size of ticket revenues in each region.
- To improve staffing and make jobs in elderly care more attractive, employees will be offered paid training during work hours. The central government will cover the cost for employees' absence from work due to studies. To ensure that there are sufficient education seats, regional adult vocational training will receive extra funding so that 10,000 persons will be able to get training in health and social care during the fourth quarter of 2020 if they study half-time. Folk high schools' adult vocational training will also be expanded with 1,000 seats during 2020, focusing on health and social care. Fiscal cost: SEK 2.2 billion during 2020 and 2021.
- Temporarily increased supplementary housing allowance for families with children who already receive housing allowance from 1 July to the end of 2020. At most, this supplementary allowance can amount to SEK 1325 per month. Fiscal cost: SEK 560 million.
- Measures to prevent Covid-19 fraud. To ensure that business support does not get misused or taken advantage of by criminal networks, the government will

shortly be submitting a supplementary budget containing extra resources (corresponding to 130 employees) and powers to the Tax Agency to carry out extra checks and controls. Fiscal cost: SEK 71 million, but revenues following from the measure are expected to exceed the fiscal cost

- Funding for increased railway and road maintenance to the amount of SEK 1.02 billion.
- To further strengthen the digital infrastructure, SEK 200 million is allocated within the framework of the Program for Rural Development to support the installation of broad band in densely populated areas and small populated areas.
- Temporary removal of the taxation on work-related benefits concerning free parking to a maximum amount of 1000 SEK. This should incentivise certain groups using the car instead of public transport, thereby assisting transport operators.
- Airline and airport support. On 14 June, the government proposed an extra SEK 50 million in temporary operating aid to regional airports.
- On 15 June, proposed capital injection of SEK 5 billion to SAS, conditional on environmental requirements. Another prerequisite is also that other major stakeholders provide capital. EU commission approved the measure in August 2020.
- Capital injection of SEK 3.15 billion into state-owned airport operator Swedavia. Air Navigation Services of Sweden (Luftfartsverket) will receive extra funding of SEK 900 million to compensate for revenue losses due to pandemic and ensure critical societal functions like ambulance flights.
- Swedish Maritime Administration (Sjöfartsverket) receives SEK 300 million to cover revenue losses.
- Temporary compensation for people belonging to a risk group, who are unable to work from home, or parents which children are at risk of severe illness from coronavirus. Disease carrier allowance could also be available for some close relatives living together with a person belonging to a risk group. Fiscal cost: SEK 6 billion.
- More education places to address skill-shortages on the labour market, corresponding to an additional 1300 permanent education places. Expansion of further education and lifelong-learning (1500 education seats) as well as upskilling for people in short-time work. Fiscal cost: SEK 1 billion.
- Strengthening of capital base of Lernia (labour market training and extended education) of SEK 150 million.

- Tax measures

- Liquidity reinforcement via tax accounts: companies can defer maximum three months' payment of employers' social security contributions, preliminary tax on salaries and value-added tax that are reported monthly or quarterly. The new regulations takes effect on 7 April 2020, but can be retroactively applied from 1 January 2020. Interest and deferral costs apply. If companies use this opportunity to the same extent as in 2009, the amount would amount to 27 billion SEK. If all companies would use it to the maximum, this would amount to SEK 315 billion. The effect on the balance depends inter alia on the time profile of usage.
- To support SMEs, it will be allowed to defer the value-added tax reported

annually. Hence, companies can defer the payment of last year's VAT that is due shortly. If this is used to the maximum, it would amount to SEK 7 billion.

- SMEs can claim back the preliminary tax paid in 2019 and either pay it later or set it off against future losses. The maximum liquidity reinforcement could amount to SEK 13 billion.
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- Sectorial, regional measures, or measures other than fiscal (e.g. labour)

- State credit guarantees for Swedish airlines amounting to a maximum of 5 billion SEK. Extension of credit and credit guarantees via the Swedish Export Credit Agency's (EKN) and the Swedish Export Credit Corporation (SEK) Coverage of EKN extended, including to encompass sea shipping of all in all, SEK 130 billion.
- A central government loan guarantee to make it easier for companies to access bank financing, targeting primarily SMEs. Each company will be allowed to loan up to SEK 75 million. The risk is shared between the government and banks (70/30). Guarantees can be issued totalling a maximum of SEK 100 billion during 2020. The guarantee applies to new loans approved between 1st April and 30th September 2020.
- Student loans that have been granted should not have to be paid back in cases where there is no teaching due to the pandemic.
- State guarantees to the EU for loans to member states, SURE, and to the European Investment Bank for a guarantee fund for support to companies. Approximately 1.7 billion EUR in total (SEK 20 billion).
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- Other

- On 13 March, the Riksbank decided to lend up to 500 billion SEK (50 billion EUR) to Swedish banks for a period of 2 years against the repo rate. The aim is to maintain the supply of credit to Swedish companies as banks are to use the facility to keep lending to domestic non-financial companies, which will be monitored. The repo rate was left untouched at 0%.
On 16 March, the Riksbank decided to:
- Increase purchases of securities by up to SEK 300 billion. Given relative scarcity of government bonds, purchases can include municipal bonds, mortgage bonds (in the Nordics, there is a deep and liquid market for the latter), as well as corporate bonds.
- Reduce the lending rate for overnight loans to banks from 75 to 20 bps above the repo rate.
- Allow banks to borrow an unlimited amount at 3-month's maturity on a weekly basis against collateral at an interest rate of 20 bp above the repo rate.
- Increase flexibility on collateral requirements for banks when they borrow money from the Riksbank. This will give banks more scope to use mortgage backed bonds as collateral.
- On 13 March, Finansinspektionen (Swedish FSA) lowered the countercyclical capital buffer from 2.5% to 0%. This implies a lowering of capital requirements by around SEK 45 billion).
- On 16 March, the FSA clarified that it will temporarily allow banks to fall below the liquidity coverage ratio requirements for individual currencies and total currencies. This measure relieves liquidity constraints.
- On 17 March, the FSA announced that loss of income associated with the COVID-19 virus qualifies as special grounds that allow banks to reduce or waive

amortisation requirements for mortgages for an (extendable) period of 3 to 12 months.

- On 19 March, the Riksbank and the US Fed agreed a swap facility for up to USD 60 billion of dollar liquidity. The agreement will be in place for at least six months. The Riksbank eased restrictions on purchases of corporate and mortgage backed bonds.
- On 24 March, the FSA clarified that it expects credit institutions to stop this year's dividend payments and use the earnings to further strengthen their capital position.
- On 26 March, the Riksbank decided to allow supervised Swedish credit institutions to apply to become temporary counterparts of the central bank for monetary policy execution with the aim is of facilitating on-lending to non-financial corporations.
- On 2 April, the FSA proposed new general guidelines allowing deferral of all household mortgage amortisation payments on new and existing housing loans. The exemption will be in force until the end of June 2021.
- On 6 April, the Riksbank decided to allow loans to individual firms under its loan support programme.
- On 14 April, the FSA's new general guideline on exemption from the amortisation requirement came into effect. The exemption applies to amortisation payments through 31 August 2021.
- On 1 July, the Riksbank decided to extend the framework of asset purchases from SEK 300 billion to SEK 500 billion up to the end of June 2021. In September, the Riksbank will also begin purchasing corporate bonds. The Riksbank also decided to cut interest rates on the standing facilities from the repo rate plus 0.2 pp to plus 0.1 pp and extend maturities for lending to banks from two to four years). The repo rate was held unchanged at zero per cent.