EY Tax Covid-19 Response Tracker

As of 18 March 2020
Important notes

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

- Argentina
- Australia
- Belgium
- Brazil
- Canada
- Mainland China
- Colombia
- Cyprus
- Denmark
- Egypt
- European Union
- Finland
- France
- Germany
- Ghana
- Hong Kong
- Hungary
- Indonesia
- Ireland
- Italy
- Japan
- Kenya
- Lithuania
- Luxembourg
- Malaysia
- Mexico
- Netherlands
- New Zealand
- Nigeria
- Norway
- Qatar
- Singapore
- South Korea
- Spain
- Sweden
- Switzerland
- Taiwan
- Thailand
- United Arab Emirates
- United Kingdom
- United States
- Vietnam
**Overview**

- Argentina has issued emergency measures to address economic impact of Covid-19 pandemic.

**Personal Tax**

- Suspension by the Federal tax authority between March 18 and March 31, 2020 of procedural time limits related to federal tax, social security and customs obligations. This measure does not include the extension on regular deadlines previously established for tax returns filings and payments.
- Federal tax authority agencies will limit on-site attention to taxpayers until March 31, 2020, rescheduling the appointments already planned. Other Government agencies (e.g. Inspection Board of Legal entities) are limiting/restricting on-site attention.

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

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

**Business tax**

- Exemption of Social Security taxes for certain companies engaged in activities particularly affected by the Covid-19 pandemic (e.g. tourism, entertainment industries, restaurants, hotels and passenger transport activities). This exemption could potentially be extended to companies dealing with logistic or supply chain issues due to the pandemic
- Suspension by the Federal tax authority between 18 and 31 March 2020 of procedural time limits related to federal tax, social security and customs obligations. This measure does not include the extension on regular deadlines previously established for tax returns filings and payments.
- Federal tax authority agencies will limit on-site attention to taxpayers until 31 March, 2020, rescheduling the appointments already planned. Other Government agencies (e.g. Inspection Board of Legal entities) are limiting/restricting on-site attention.

**Links and resources**

- [https://www.argentina.gob.ar/noticias/los-ministros-de-economia-y-de-desarrollo-productivo-anunciaron-un-paquete-de-medidas-para](https://www.argentina.gob.ar/noticias/los-ministros-de-economia-y-de-desarrollo-productivo-anunciaron-un-paquete-de-medidas-para)
Overview

- On 12 March 2020, the Government announced an economic package of A$17.6b, including A$11b in planned expenditures by 30 June 2020. This response adds to a previously-announced $2.4 billion health package.
- On 16 March 2020, the New South Wales Government announced a healthcare support and A$1.6 billion in stimulus targeted at small businesses including $1.6 billion in tax cuts, waivers and other measures. Businesses with payrolls of up to $10m will have payroll tax waived for the rest of the financial year.
- On 16 March 2020, the Western Australian Government announced a A$607 million stimulus package including a freeze on various state charges. Payroll tax paying businesses with a payroll between A$1 million and A$4 million will receive a one-off grant of $17,500, among other measures.
- The Federal Budget is due in early May which may include further stimulatory measures.

Personal Tax

- The Government has allocated A$1b to support regions and communities most significantly affected by the Covid-19 outbreak, including those heavily reliant on tourism, agriculture and education sectors. The assistance package includes targeted waiver of fees and charges and development of promotional measures for the tourism sector.
- On 18 March 2020, the Australian Government announced a A$715m aviation package for Australian airlines.

VAT, GST and Trade

- Tax incentives for businesses with aggregated annual turnover below $500m
  - Increasing the instant asset write-off (IAWO) to A$150,000: For new or second-hand assets first used or installed ready for use from 12 March until 30 June 2020, the IAWO threshold is increased from A$30k to A$150k for businesses with aggregated annual turnover of less than A$500m (up from the current A$50 million threshold). The threshold applies on a per asset basis, so eligible businesses can immediately write-off multiple assets. The IAWO will revert to A$1,000 for small businesses (turnover less than A$10 million) from 1 July 2020.
  - Backing business investment: A 15-month investment incentive, by accelerating depreciation deductions for businesses with aggregated annual turnover less than A$500m. The measure allows deduction of 50% of the cost of a new asset (which is depreciable under Division 40 of the ITAA 1997) on installation, acquired after announcement and first used or installed by 30 June 2021. Existing depreciation rules apply to the balance of the asset’s cost.

Business tax

- Other tax measures for employers
  - Boosting cash flow for employers: Up to a A$25,000 tax-free payment to small and medium-sized businesses with a turnover of less than A$50 million that employ workers. These eligible businesses will receive a payment equal to 50% of their pay-as-you-go (PAYG) instalments withheld, delivered as a credit in their business activity statements from March to June 2020, with a minimum A$2,000 payment and a cap of A$25,000.
  - Supporting apprentices and trainees: Eligible small business employers with fewer than 20 employees can apply for a wage subsidy of 50% of the apprentice’s or trainee’s (in training as at 1 March 2020) wage for up to 9 months from 1 January to 30 September 2020, up to A$21,000 per apprentice. Employers can register for the subsidy from early April 2020 with final claims for payment due by 31 December 2020.

Contact: David Burns – Australia Tax Desk
Contact: Alf Capito – Tax Policy Leader
Last updated: 18 March 2020
Business tax (cont.)

Administrative relief may be available to impacted businesses, with relief options including:

1) **Payment deferrals** - Up to four months deferral of tax obligations through Business Activity Statements (BAS), income tax assessments, Fringe Benefits Tax (FBT) and excise tax.

2) **Monthly GST credits** - Allowing businesses on a quarterly reporting cycle to opt into monthly GST reporting to get quicker access to GST refunds.

3) **PAYG instalments support** - Allowing businesses to vary such instalment amounts (tax withheld from employee remuneration) to zero for the March 2020 quarter. Businesses that vary PAYG instalments to zero can also claim a refund for any instalments made for the September and December 2019 quarters.

4) **Remit interest** - remittance of interest and penalties incurred on or after 23 January 2020 that have been applied to tax liabilities.

5) **Low interest payment plans** - applies to existing and ongoing tax liabilities.

Access to relief options are based on discussions with the Australian Taxation Office (ATO) and will vary on a case-by-case basis.

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Links and resources

**EY internal materials**


**Government materials**

### Belgium

**Category:** Tax measures

**20 March 2020**

**EY Tax Covid-19 Response Tracker**

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#### Overview

- Support for temporary unemployment benefits due to Covid-19 (under certain conditions)

#### Personal Tax

- Upon request, payment plan, waiver of late payment interest, and waiver of penalties for non-payment is available (conditions need to be met)

#### VAT, GST and Trade

- Upon request, payment plan, waiver of late payment interest, and waiver of penalties for non-payment is available (conditions need to be met)

#### Business Tax

- Upon request, payment plan, waiver of late payment interest, and waiver of penalties for non-payment is available (conditions need to be met)
- Increased tolerance for home office workers to not constitute a Permanent Establishment in view of the Belgium-Luxembourg tax treaty
- Increased tolerance for home office workers to not constitute a PE in view of the Belgium-France tax treaty

#### Links and resources

- [https://finances.belgium.be/fr/Actualites/convention-belgo-luxembourgeoise-preventive-de-la-double-imposition-mesure-exceptionnelle](https://finances.belgium.be/fr/Actualites/convention-belgo-luxembourgeoise-preventive-de-la-double-imposition-mesure-exceptionnelle)
Overview

- On 16 March 2020, the Brazilian Minister of Economy presented proposals to counter the economic slowdown deriving from the coronavirus spread. The proposals will need to be analyzed and debated by Congress. The tax related items are mainly focused on making medical related items cheaper, as well as to help small businesses.

Personal Tax

VAT, GST and Trade

- Reduction to 0% of the Import Duty due on import of products necessary to counter covid-19 until September 2020. Products are listed on Annex I of CAMEX Resolution #17/20.
- Simplification and acceleration of customs clearance process for products related to counter covid-19 (fixed assets and raw materials).
- The government is also proposing exemption of Excise Tax for local and imported products to counter covid-19.

Business tax

- Extended term for payment of the Federal taxes under the “Simple” system: simplified taxation applicable to small companies.
- There are also proposals that lead to reduction in the cost of labor: (a) extended term for payment of contributions to employees Severance Indemnity Fund (FGTS) for 3 months; (b) 50% reduction on a portion of contributions due on payroll (“Sistema S”) for a period of 3 months.
- Other proposals to allow for better access to financing, or to have anticipated cash payments to certain individuals: (a) Proger/FAT credit for micro and small businesses; (b) simplification of requirements for contracting credit and exemption of documentation for credit negotiation; (c) Anticipation of the first installment payment of the 13 salary for retirees and pensioners for April and the second installment payment for May.
- Postponement of deadlines related to collection assessments and facilitation to join debts program.

Links and resources

- Imported products subject to Import Duty Reduction: http://www.in.gov.br/web/dou/-/resolucao-n-17-de-17-de-marco-de-2020-248564246
The Bank of Canada on 4 March cut the key interest rate by 0.5% to 1.25% due to Coronavirus concerns. The bank stated that it’s becoming clear the country will not grow as much as its previous forecasts indicated with rail line blockades, teacher strikes in Ontario and a harsh winter also impacting on growth.
### Mainland China

**Category:** Stimulus package

<table>
<thead>
<tr>
<th>Overview</th>
<th>Personal Tax</th>
<th>VAT, GST and Trade</th>
<th>Business tax</th>
<th>Links and resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Remove the cap on foreign debt for enterprises where it is necessary.</td>
<td>▶ Individual Income Tax (IIT) exemption on additional allowance and bonus for medical staffs and qualifying personnel who has been involved in Covid-19 prevention, treatment and or handling related emergencies.</td>
<td>▶ Enterprises of key medical and daily living supplies (KSMEs) may apply to the competent tax authorities for a full refund of the incremental input Value Added Tax (VAT) credits incurred after the end of December 2019 on a monthly basis.</td>
<td>▶ Equipment purchased by the manufacturing enterprises of KSMEs for expanding production capacity is allowed to be one-off deducted in the same period for CIT purposes.</td>
<td>▶ <a href="https://www.ey.com/Publication/vwLUAssets/ey-ctie-2020010-ENG/$FILE/ey-ctie-2020010-ENG.pdf">https://www.ey.com/Publication/vwLUAssets/ey-ctie-2020010-ENG/$FILE/ey-ctie-2020010-ENG.pdf</a></td>
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<td>▶ Pump a total of 1.2 trillion yuan (USD 172 billion) via reverse repos to inject funds into the market to ensure ample liquidity and supply.</td>
<td>▶ IIT exemption on medicines, medical supplies and protective equipment provided from enterprises to employees.</td>
<td>▶ Exempt VAT for small-scale VAT taxpayers in Hubei and reduce VAT collection rate for those in other regions (effective from 1 March 2020 to 31 May 2020).</td>
<td>▶ Extend the carry-forward period for loss incurred in 2020 from 5 to 8 years for qualifying enterprises.</td>
<td>▶ <a href="https://www.ey.com/Publication/vwLUAssets/ey-ctie-2020009-ENG/$FILE/ey-ctie-2020009-ENG.pdf">https://www.ey.com/Publication/vwLUAssets/ey-ctie-2020009-ENG/$FILE/ey-ctie-2020009-ENG.pdf</a></td>
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<td>▶ Adopt financial measures covering aspects including liquidity and credit, livelihood finance, financial infrastructure, foreign exchange and cross-border Renminbi business.</td>
<td>▶ Qualifying donations are allowed to be deducted in full for IIT purposes.</td>
<td>▶ Cross-border donations for supporting the epidemic prevention and control are exempt from import duties and import-level VAT and Consumption Tax (CT).</td>
<td>▶ Qualifying donations are allowed to be deducted in full for CIT purposes.</td>
<td>▶ <a href="https://www.ey.com/Publication/vwLUAssets/ey-ctie-2020008-ENG/$File/ey-ctie-2020008-ENG.pdf">https://www.ey.com/Publication/vwLUAssets/ey-ctie-2020008-ENG/$File/ey-ctie-2020008-ENG.pdf</a></td>
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<td>▶ The Ministry of Finance also issued relevant fiscal policies, involving loan interest subsidy and guarantee fee reduction.</td>
<td>▶ Social securities and housing funds that are contributed by enterprises may be reduced and exempted temporarily.</td>
<td>▶ For prescribed imports from USA, the tariff reduction obligations suspended will be resumed and the additional tariffs that have already been levied will be refunded.</td>
<td>▶ Extend the tax filing deadline for February and March 2020, and simplify tax collection and administration measures.</td>
<td>▶ <a href="https://www.ey.com/Publication/vwLUAssets/ey-ctie-2020007-ENG/$FILE/ey-ctie-2020007-ENG.pdf">https://www.ey.com/Publication/vwLUAssets/ey-ctie-2020007-ENG/$FILE/ey-ctie-2020007-ENG.pdf</a></td>
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<td>▶ Local government departments also released a series of intellectual property (IP) related measures (e.g., IP financing from financial institution, “green channel for registration”)</td>
<td>▶ Local governments also announced other policy measures to support enterprises’ resumption of operation (e.g., providing subsidy, online approval for investment projects).</td>
<td>▶ Entities and self-employed industrial and commercial households (SICHS) that donate self-produced, contract-processed or purchased are exempt from VAT, CT and local tax/surcharges.</td>
<td>▶ Better law enforcement: tax authority should not: carry out tax inspections against taxpayers without significant risks; carry out on-site inspections without approval; stop issuing invoices to taxpayers who act in accordance with laws.</td>
<td>▶ <a href="https://www.ey.com/Publication/vwLUAssets/ey-ctie-2020006-ENG/$FILE/ey-ctie-2020006-ENG.pdf">https://www.ey.com/Publication/vwLUAssets/ey-ctie-2020006-ENG/$FILE/ey-ctie-2020006-ENG.pdf</a></td>
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**Stimulus package**

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

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

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

- **Business tax**
  - Equipment purchased by the manufacturing enterprises of KSMEs for expanding production capacity is allowed to be one-off deducted in the same period for CIT purposes.
  - Extend the carry-forward period for loss incurred in 2020 from 5 to 8 years for qualifying enterprises.
  - Qualifying donations are allowed to be deducted in full for CIT purposes.
  - Extend the tax filing deadline for February and March 2020, and simplify tax collection and administration measures.
  - Better law enforcement: tax authority should not: carry out tax inspections against taxpayers without significant risks; carry out on-site inspections without approval; stop issuing invoices to taxpayers who act in accordance with laws.

- **Links and resources**
### Overview

In the case of companies engaged in hoteling services, air travel services, Theatrical activities and show business activities. Due to the impact Covid-19 has had in these business, the due dates for filing the March-April VAT return (for taxpayers which must file VAT returns Bi-monthly) and January - April VAT return (for taxpayers who must file VAT returns quarterly) were postponed until June 30, 2020 (usually the due dates are in May).

Customs duties applicable to the importation of certain medicines, medical equipment and devices as well as non-locally produced goods for the use of air travel industry were reduced to 0%.

### Personal Tax

Due dates for filing and paying income tax return for companies engaged in hoteling services, air travel services, theatrical activities, show business activities, were postponed for the second semester of 2020.

The Government issued some regulations to allow personnel of companies located in Free Trade Zones (FTZ) to work outside the FTZ area by using any telecommunication equipment or technology that allows remote connection of the personnel (in normal circumstances, companies located in free trade zones must undertake all its activities within the physical location of the FTZ to access to the tax and customs benefits granted under the FTZ regime).

### VAT, GST and Trade

### Business tax

### Links and resources

- [https://dapre.presidencia.gov.co/normativa/normativa/DECRETO%20401%20DEL%20MARZO%20DE%202020.pdf](https://dapre.presidencia.gov.co/normativa/normativa/DECRETO%20401%20DEL%20MARZO%20DE%202020.pdf)
- [https://dapre.presidencia.gov.co/normativa/normativa/DECRETO%20411%20DEL%20MARZO%20DE%202020.pdf](https://dapre.presidencia.gov.co/normativa/normativa/DECRETO%20411%20DEL%20MARZO%20DE%202020.pdf)
### Cyprus

**Category:** Tax measures

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#### Overview

- Contact: Philippos Raptopoulos - Tax Policy Leader
- Last updated: 4 March 2020

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#### Personal tax

- **VAT/GST and Trade measures**
  
  - Temporary two-month deferral of payment of VAT, without the imposition of any penalties applicable to companies with turnover of less than €1 million or where turnover reduced has fallen by more than 25% with reference to the tax returns submitted during 2019.
  
  Arrangements can be made so that VAT payable due amounts will be settled gradually by 11 November 2020.
  
  Temporary reduction of VAT on Goods and Services from 19% to 17% for a period of 2 months and from 9% to 7% for a period of 3.5 months, to be effective from enactment of the relevant VAT law.

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#### Business measures

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#### EY/Government materials


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Overview

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

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

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

Personal Tax

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VAT, GST and Trade

For businesses with VAT liable deliveries exceeding DKK 50m on an annual basis, the deadline for such VAT payments are postponed by a month for the months; March, April and May. This only applies for the payment of positive VAT, negative VAT can still be refunded within three weeks of receipt of the VAT statement.

For companies with VAT liable deliveries between DKK 5-50m n an annual basis, the payment of VAT is postponed for the first quarter of 2020 and is now together with the payment deadline of the second quarter of 2020 on September 1st 2020. For companies with VAT liable deliveries below DKK 5m on an annual basis, the VAT payment of the first half of 2020 has been postponed and is now together with the payment deadline of the second half of 2020 on March 1st 2021.

Business tax

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

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

For the companies below the thresholds the payments are as follows: i) The payment that should have been made on May 11th are postponed until September 10th, ii) June 10th are postponed until October 12th, and iii) July 10th are postponed until November 10th. Please keep in mind that only the payment has been postponed, the reporting deadline is maintained.

Links and resources

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

Government materials:
- https://www.ft.dk/samling/20191/lovforslag/l134/oms_fremsat.htm
The Monetary Policy Committee of the Central Bank of Egypt (CBE) decided to cut the credit and discount rates from 12.75 percent to 9.75 percent.
On Monday 16 March the European Council issued a statement detailing a range of practical and financial measures on which it will provide support to Member States as part of its coordinated responses to protect the EU economies. These proposals include, amongst other points, using the full flexibility of our State-aid and fiscal frameworks, mobilizing the EU budget to allow the EIB Group to provide short-term liquidity to SMEs, and directing €37 billion to the fight Covid-19 under the Coronavirus Response Investment Initiative.

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


Export licenses are required for certain vital products.

On conformity assessment and market surveillance procedures within the context of the Covid-19 threat.
## Overview

On 16 March 2020, the Government, in cooperation with the president, declared a state of emergency in Finland.

Relevant measures are expected in an extraordinary budget bill scheduled to be presented to the Parliament on March 20, 2020.

The Finnish Tax Administration will ease the terms of payment arrangements for the time being. In addition, the Ministry of Finance is preparing a legislative amendment that will temporarily lower late-payment interest rates for taxes in a payment arrangement.

## Personal Tax

Finland is expected to provide a range of VAT easements.

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

## VAT, GST and Trade

The interest rate for late payment is reduced to 4% (currently 7%) for taxes due from 1 March 2020.

The deadlines for paying taxes are postponed (further details of this are not yet known).

Pension funds may grant upon application a postponement up to 3 months for pension premiums paid by employers and self-employed individuals.

## Business tax

## Links and resources

- [Responding to Covid-19](#)
- [Corona virus (Covid-19), The most important labor law issues in the Nordic countries](#)
- [Corona situation: Recent updates (Finnish tax authorities)](#)
The French President has affirmed his support to French companies with exceptional measures for deferring tax and social charges, supporting the postponement of bank instalments and State guarantees up to 300 billion euros for all bank loans.

For the smallest French companies and for as long as the current situation will last, the payment of taxes, social security contributions, or various invoices (e.g., water, gas or electricity and rents) may be suspended.

The partial unemployment scheme will be massively extended for employees, and a solidarity fund will be funded by the State for entrepreneurs, merchants, artisans.

The government affirmed the objective of quick payment of suppliers of public administrations (i.e., on average 20 days).

The employee and employer social contributions payments (URSSAF) due on the 15th of March 2020 may be postponed upon request, in whole or in part, for up to 3 months.

For the self-employed, the rate and the down payments at source of income tax can be adjusted at any time. It is also possible to defer the payment of the personal income tax down payments from one month to another up to three times if monthly installments, or from one quarter to the next if quarterly installments. These adjustments can be made via the website impots.gouv.fr, under the heading "Manage my direct debit" (before the 22nd of a given month, in order to be taken into account for the following month).

For employee’s, no deferrals or discounts are contemplated for the employee’s payments at source of personal income tax.

The postponement can only concern direct taxes and not VAT and similar taxes (VAT or excise duties are indirect taxes collected by businesses on behalf of the state, no payment deferrals are expected today).

The government affirmed the objective of a rapid refund of excess input VAT to the companies (i.e., within 1 month in 80% of cases).

Postponement upon request and without penalty of the payment of the upcoming direct taxes instalment (for corporate income tax down payment and/or payroll tax). If the March payment has already been made, companies still have the option of opposing the SEPA direct debit from their bank or of requesting reimbursement to the tax authorities. A specific form to benefit from these measures is available on the tax authorities’ website.

If the deferral of payment is not sufficient, it is possible to obtain direct tax rebates, penalties or interest on arrears on outstanding tax debts by providing information on financial difficulties encountered by filling in frame 2 of the form.

The monthly payment of the corporate property tax ("CFE") or the property tax ("taxe foncière"), can be suspended without penalty.

The government affirmed the objective of rapid refund of tax credit for competitiveness and employment ("CICE") (i.e., within 3 months in 75% of cases).

The pending tax audits are continuing but "with discernment".

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The pending tax audits are continuing but "with discernment".
On 13 March 2020, Federal Minister of Finance Olaf Scholz (SPD) and Federal Minister for Economic Affairs and Energy Peter Altmaier (CDU) have agreed on a far-reaching package of measures to protect jobs and support companies.

The government is creating a protective shield for employees and companies who are affected by the impact of the coronavirus. It consists of four pillars:

1. Making the reduced hours compensation benefit (Kurzarbeitergeld) more flexible
2. Tax-related liquidity assistance for businesses
3. A protective shield worth billions for businesses
4. Strengthening European cohesion

In a first step, existing liquidity assistance programs will be expanded to make it easier for companies to access cheap loans.

Conditions for the KfW-Unternehmerkredit (business loan for existing companies) and the ERP-Gründerkredit-Universell (start-up loan for companies that are less than five years old) will be loosened by raising the level of risk assumptions (indemnity) for operating loans and extending these instruments to large enterprises with a turnover of up to €2 billion (previously, the limit was €500 million). Higher risk assumptions of up to 80% for operating loans of up to EUR 200 million will increase banks’ willingness to extend credit.

In the case of the “KfW Loan for Growth”, the program aimed at larger companies, the current turnover threshold of €2 billion will be raised to €5 billion. In the future, these loans will take the form of syndicated loans and will not be restricted to projects in one particular field (in the past, only innovation and digitalization projects were eligible). Risk assumption will be increased to up to 70% (from 50%). This will improve larger companies’ access to syndicated loans.

For companies with a turnover of more than €5 billion, support will continue to be provided on a case-by-case basis.

For guarantee banks (Bürgschaftsbanken), the guarantee limit will be doubled, to €2.5 million. The Federation will increase its risk share in guarantee banks by 10% to make it easier to shoulder risks, which are difficult to assess in times of crisis. The upper limit of 35% of operating resources in guarantee banks’ total exposure will be increased to 50%. To accelerate liquidity provision, the Federation is giving guarantee banks the freedom to make guarantee decisions up to €250,000 independently and within a period of three days.

The large guarantee program (parallel guarantees from the Federation and the states) will be opened up to companies in other regions, as well.

For companies that have temporary serious financial difficulties because of the crisis and therefore do not have easy access to existing support programs, additional special KfW programs will be launched. These special programs are now being submitted to the European Commission for approval.

On 16 March 2020, Federal Minister of Justice Christine Lambrecht has announced that until 30 September 2020 the obligation to file for insolvency for affected companies will be suspended. This shall help to cushion the consequences of the coronavirus outbreak for the real economy.

Retroactively as of 1 March 2020, the rules on reduced hours compensation benefit (Kurzarbeitergeld) will be adapted to suit current needs. As part of this, eligibility requirements will be loosened as follows:

- Entitlement to reduced hours compensation exists if at least 10% of the employees have a loss of earnings of more than 10%.
- In companies where agreements on working time fluctuations are used, no negative working time accounts are created.
- Reduced hours compensation benefit will also be available to temporary agency workers.
- Complete reimbursement of social security contributions by the Federal Labor Office.
In order to improve companies’ liquidity situation, the options for deferring tax payments and reducing prepayments will be enhanced, and enforcement rules will be adapted. Overall, businesses will be able to defer billions of euros in tax payments.

The Federal Ministry of Finance has already initiated the necessary coordination process with the states. It is expected that a decree will be released by the Federal Ministry of Finance in the next couple of days which will provide further details on the measures and administrative procedure. The measures which have been agreed on political level are as follows:

- It will be easier to grant tax deferrals. Revenue authorities will be able to defer taxes, if their collection would lead to significant hardship. The revenue authorities will be instructed to not impose strict conditions in this respect. This will support taxpayers’ liquidity, because the timing of tax payments will be delayed.

- It will be easier to adapt tax prepayments. As soon as it becomes clear that a taxpayer’s income in the current year is expected to be lower than in the previous year, tax prepayments will be reduced in a swift and straightforward manner. This will improve the liquidity situation.

- Enforcement measures (e.g. attachment of bank accounts) and late-payment penalties will be waived until 31 December 2020 if the debtor of a pending tax payment is directly affected by the coronavirus.

Some states have already issued on their homepage a template for a simplified reduction of tax prepayments (e.g. Bavaria) or have provided further guidance on the tax measures (e.g. Northrhine-Westfalia and Schleswig-Holstein). Further guidance by states and revenue authorities is expected.
Germany

Category: Stimulus package

Links and resources

► German version: Ein Schutzschild für Beschäftigte und Unternehmen
https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2020/03/2020-03-13-download-de.pdf?__blob=publicationFile&v=2

► English version: A protective shield for employees and companies
https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2020/03/2020-03-13-download-en.pdf?__blob=publicationFile&v=2

► German version only: suspension of insolvency filing
https://www.bmjv.de/SharedDocs/Zitate/DE/2020/031620_Insolvenzantragspflicht.html

► German version: KfW-Corona-Hilfe: Kredite für Unternehmen
https://www.kfw.de/KfW-Konzern/Newsroom/Aktuelles/KfW-Corona-Hilfe-Unternehmen.html

► English version: KfW coronavirus aid: loans for companies
https://www.kfw.de/KfW-Gruppe/Newsroom/Latest-News/KfW-Corona-Hilfe-Unternehmen.html

► German version only: Corona-Krise: Bürgschaftsbanken erweitern Unterstützung von KMU
https://www.vdb-info.de/aktuelles/Pressemitteilungen/corona-krise-buergschaftsbanken-erweitern-unterstuetzung-von-kmu#

► German version only: Corona-Virus: Informationen für Unternehmen zum Kurzarbeitergeld
On 18 March 2020, the Government of Ghana allocated USD 100 million to deal with the Covid-19 pandemic.

The Government of Ghana also announced that it is turning to the International Monetary Fund and World Bank to raise money to shore up the economy following the coronavirus spread. Measures to shore up the economy may include withdrawal from the Ghana Stabilization Fund to address the coronavirus through Rapid Credit Facility.
## Overview
- Disburse HK$10,000 to each Hong Kong permanent resident aged 18 or above
- Waive the business registration fees for 2020-21
- Waive registration fees for company annual returns for two years
- Concessionary low-interest loan is introduced with 100% Government guarantee for enterprises, which will be open for application for six months. Maximum loan of $2 million with repayment period up to three years. Moratorium on principal repayment for first six months
- Issue inflation-linked retail bonds and Silver Bonds totaling not less than HK$13 billion

## Personal Tax
- A one-off reduction of 100% of the salaries tax and tax under personal assessment has been proposed for 2019/20, subject to a maximum reduction of HK$20,000. The reduction will be deducted directly from the taxpayer’s 2019/20 final tax payable.

## VAT, GST and Trade
- Deadlines for tax payments, lodgement of objections and holdover applications as well as submission of tax returns and information that fall between 29 January 29 and 1 March 1 was automatically extended to 2 March.

## Business Tax
- A one-off reduction of 100% of the profits tax has been proposed for 2019/20, subject to a maximum reduction of HK$20,000. The reduction will be deducted directly from the taxpayer’s 2019/20 final tax payable.
- Deadlines for tax payments, lodgement of objections and holdover applications as well as submission of tax returns and information that fall between 29 January 29 and 1 March 1 was automatically extended to 2 March.

## Links and resources
- Hong Kong 2020-21 Budget Insights
- Government budget announcement
<table>
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<tr>
<th>Overview</th>
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<tr>
<td>► The Hungarian government suspended the monthly payments on loans for all businesses and private individuals, provided that the loans were concluded on or before 18 March 2020. The moratorium will likely apply for all the monthly payments that would be due in 2020.</td>
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<td>► Also, it was announced that more economy/business related announcements are to come in the following days.</td>
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<th>Personal Tax</th>
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<td>► Employees working in severely hit industries, e.g., tourism, hospitality, entertainment, sport, cultural services (e.g. theaters, cinemas) will pay significantly lower social security contributions until 30 June 2020.</td>
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<td>► In addition in relation to these industries, the Hungarian Government waived the employment related contribution payment obligation of employers until 30 June 2020.</td>
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On 13 March 2020, the Coordinating Minister of Economic Affairs formally announced a stimulus package due to the Covid-19 outbreak which covers tax and non-tax programs. The key relevant programs include:

- Key tax initiatives for 19 manufacturing sectors and export-oriented companies:
  - Six months of Employee Income Tax to be borne by the government.
  - Six months of import tax exemptions.
  - Six months of 30% reduction of CIT instalments.
  - Acceleration of VAT refund claims for six months. Tax audits will not automatically be initiated when new VAT refund claims are made.

- Key non-tax strategies:
  - Improved export and import procedures.
  - Banks restructuring and rescheduling loans.

Employee Income Tax to be borne by the government for six months starting April 2020 for 19 manufacturing sectors and export-oriented companies.

Late payment and filing of individual tax returns from 1 April to 15 April 2020 are exempt from penalty.

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

30% reduction of CIT instalments for 19 manufacturing sectors and export-oriented companies from April 2020 to September 2020.

Import tax exemptions (non-final withholding tax relief) for 19 manufacturing sectors and export-oriented companies from April 2020 to September 2020.
Overview

- The Government has made a €3 billion aid package available to combat the effects of Covid-19. This funding includes €2.4 billion to fund sick pay for workers affected by Covid-19 as well as €435 million contingency funding for the Health Service Executive (HSE).
- Meetings have taken place between the Minister for Finance, Banks and with the Banking and Payments Federation Ireland (BPFI). Further meetings are due to take place with the Central Bank of Ireland on 19 March.
- The proposed actions by the banks will build on the Irish Government’s response, and the European Central Bank’s monetary and regulatory policy measures to deliver real support to individuals, small and medium-sized enterprises (SMEs) and larger companies.
- Meetings have taken place between the Minister for Finance, Banks and with the Banking and Payments Federation Ireland (BPFI). Further meetings are due to take place with the Central Bank of Ireland on 19 March.
- The proposed actions by the banks will build on the Irish Government’s response, and the ECB’s monetary and regulatory policy measures to deliver real support to individuals, SMEs and companies.
- The range of supports proposed by the BPFI, and to be discussed with the Central Bank, are customer focused so as to cater for the different impacts of Covid-19 on each individual customer. These proposals include:
  - Flexible arrangements, including payment break for Mortgages and other loans for 3 months
  - Support for buy to let bank customers with tenants affected by Covid-19
  - Extensive supports for SME customers - Banks are working to ensure a wide range of credit, cash flow and supply chain supports are offered to businesses who are trying to manage the pressures arising from Covid-19.
  - In addition, the banks are adopting a customer focussed approach to these businesses with a wide variety of tailored supports including extensions of credit lines, risk guarantees, and trade finance
- Central Bank of Ireland will reduce the Countercyclical Capital Buffer, from 1% to 0%, This will free up bank capital to provide credit, and to restructure and extend existing loans
- The provision of a €200 million liquidity support fund for impacted businesses
- Waiving of 6 waiting days for sick pay in respect of medically certified cases of self-isolation
- Removal of means test required for supplementary welfare allowances in respect of medically certified cases of self-isolation
- The personal rate of Illness Benefit will be increased from €203 per week to €305 per week for a maximum period of two weeks of medically certified self-isolation, or for the duration of a person’s medically-certified absence from work due to Covid-19 diagnoses
- Self-employed people will be entitled to receive either illness benefit or non-means tested supplementary welfare allowance
- The existing systematic short-time working scheme is available for employees who may be placed on reduced working arrangements
- To facilitate the retention of employees, the government is setting up a refund scheme for employers which will pay them the €203 per week for each worker who would otherwise have been laid off because a business has to cease trading due to Health service advice on ‘social distancing’. This will mean that workers retain their link with employers and there is no need for them to personally submit a jobseeker's claim.
- A workday allowance for e-workers (as defined in legislation) of €3.20 can be paid by employers free of payroll taxes.
Ireland (cont.)

Category: Stimulus package

VAT, GST and Trade

- Irish Revenue announced measures to assist SMEs experiencing cashflow difficulties.
- The application of interest on late payments is suspended for January/February VAT and both February and March Employers liabilities.
- All debt enforcement activity is suspended until further notice.
- Businesses, other than SMEs, who are experiencing temporary cash flow/trading difficulties should contact Irish Revenue to arrange a payment. The advice of Irish Revenue is to contact them early if a company is running into, or facing into, difficulties in paying tax.
- The Finance Minister has decided to defer the collection of stamp duty on credit cards to July, which is normally levied in April.

Business tax

Links and resources
Overview

► On Monday March 16, the Italian government approved a EUR 25 billion stimulus package. The measures concern families, enterprises, self-employed and health system personnel.

► The package provides for additional resources to the health system and to civil defense. Special indemnities equal to 50% of their remuneration for employees and self-employed stopping their working activities for taking care of children up to 12 year-olds (as an alternative a monetary voucher is available under specific circumstances), deferral of social security contributions payment for domestic work, short-time working allowance extended to all sectors and a one-off indemnity of EUR 600 for self-employed.

► The package provides additional measures including deferring up to 20 March 2020 the taxes and contributions payments due on 16 March 2020 for all the taxpayers and the additional suspension of VAT payments, withholdings and contributions on the basis of turnover.

► Activities of the Italian Tax Authority are suspended until 31 May 2020 and any tax fulfillments due in the period 8 March - 31 May 2020 are postponed to 30 June 2020.

Personal Tax

► Payment of taxes, withholdings and social contributions due on 16 March 2020 are postponed to 20 March 2020. Payment of withholding taxes on employment income and social security contributions originally due on the period between 8 March and 31 May 2020 by self-employed and enterprises below EUR 2 million turnover is deferred to 31 May 2020. Similar deferrals apply to taxpayers of qualified business sectors (e.g. tourism, sport, entertainment, art, culture, education, transport, food, no-profit).

► Tax filings due between 8 March 2020 and 31 May 2020 are postponed to 30 June 2020.

► A tax credit of 50% of the cost for sanitizing the environment and work tools up to a maximum of EUR 20,000.

VAT, GST and Trade

► Suspension of VAT payments up to 30 March 2020 (for all taxpayers) or to 31 May 2020 for smaller taxpayers; VAT fulfillments due in the period 8 March - 31 May 2020 are postponed to 30 June 2020.
Business tax

- Tax payments - Payment of taxes, withholding and social contributions due on 16 March 2020 are postponed to 20 March 2020. Payment of WHT on employment income and social security contributions originally due on the period between 8 March and 31 May 2020 by self-employed and enterprises below EUR 2 million turnover is deferred to 31 May 2020. Similar deferrals apply to taxpayers of qualified business sectors (e.g. tourism, sport, entertainment, art, culture, education, transport, food, no-profit). Tax filings - Filings due between 8 March 2020 and 31 May 2020 are postponed to 30 June 2020.

- Tax credit for sanitation - A tax credit of 50% of the cost for sanitizing the environment and work tools up to a maximum of EUR 20,000. Tax credit for rentals - A tax credit of 60% of the March 2020 rental fee for buildings used for retail purposes.

- Conversion of DTAs into tax credits - Companies (mainly banks and financial institutions) willing to dispose of Non-Performing-Loans (NPLs) and Unlikely-To-Pay-Exposures (UTPs) by 31 December 2020 may claim a partial conversion into a tax credit of the existing, although possibly unrecognized, Deferred Tax Assets (DTAs) associated with: a. Tax losses carried forward (TLCF) b. Excess notional interest deduction carried forward (NIDCF). Once converted into tax credits, the above DTAs will also be fully computed as part of the regulatory capital thus possibly improving the capital shortfall of Italian banks that is expected to increase due to the worldwide economic challenges following the spread of Covid-19. The conversion of DTAs into tax credits is subject to an election for the option of the 1.5% DTAs guarantee fee regime. Tax credits resulting from the above conversion (Converted Tax Credits or CTCs) can be: (i) offset without any limit against tax payables; (ii) assigned within the same group or to third parties; and (iii) reclaimed.

- Suspension of the Tax Authorities activities - The ordinary terms for tax audit, tax assessment, tax collection and tax litigation are suspended from 8 March 2020 to 31 May 2020. Moreover, the Decree extended the ordinary statute of limitation for FY 2015 (which should have expired the 31 December 2020) for 2 years. This means that the power of audit of the Tax Authorities with respect to FY 2015 will expire on 31 December 2022. The suspension of the activities from 8 March 2020 to 31 May 2020 applies also to: (1) the ordinary terms for the Tax Authorities to reply to ruling requests, and to the filing of supplementary documentation; (2) the reply to the admission request to the cooperative compliance regime; (3) the international ruling procedure; (4) transfer pricing downward adjustment procedure; (5) patent box. The terms of reply for all the requests filed along the suspension period will start from the last day of the suspension window.

- Suspension of Tax Litigations - Tax court hearings are postponed to 15 April 2020 and the terms for filing appeals before tax courts of first instance and other procedures are suspended until 15 April 2020.

Links and resources

https://www.gazzettaufficiale.it/do/atto/serie_generale/caricaPdf?cdimg=20G0003400000010110001&dgu=2020-03-17&art.dataPubblicazioneGazzetta=2020-03-17&art.codiceRedazionale=20G000034&art.num=1&art.tiposerie=SG
**Overview**

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

**Personal Tax**

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

**VAT, GST and Trade**

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

**Business tax**

**Links and resources**

- On 27 February 2020, in light of Covid-19, the National Tax Agency of Japan announced individual income tax and gift tax return extensions, and delayed individual consumption tax filing deadlines and payments.
On 18 March 2020, the Central Bank of Kenya (CBK) has announced a set of measures that commercial banks will undertake to alleviate the Covid-19 impact. The measures will apply to borrowers whose loan repayments were up to date at 2 March 2020.

1. Banks will seek to provide relief on personal loans based on individual circumstances arising from the pandemic.
2. Banks will review requests from borrowers for extension of their personal loans for a period of up to one year.
3. SMEs and corporate borrowers can contact their banks for assessment and restructuring of loans based on their respective circumstances.
4. Banks will meet all costs relating to the extension and restructuring of loans.
5. To facilitate increased use of mobile digital platforms, banks will waive all fees for balance inquiries.
6. All charges for transfers between mobile money wallets and bank accounts will be eliminated.
## Lithuania

### Category: Tax measures

#### Overview
- A limited number of tax measures have been released

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

#### VAT, GST and Trade

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

#### Links and resources

Contact: Kestutis Liasuskas - Tax Policy Leader
Last updated: 18 March 2020
The Draft law introducing a special aid regime for small and SMEs and extended to large enterprises and self-employed in temporary financial difficulties because of an unforeseeable and unique event of national or international dimension was transmitted to Parliament on 16 March 2020 and updated by the Council of government on 17 March 2020.

The aid foreseen by the draft law is granted under the form of a recoverable cash advance and is subject to three conditions, being:

1) that an unforeseeable event has officially been recognized by the Council of government as having a detrimental impact on the economic activity of certain enterprises during a given period,
2) that the enterprise faces temporary financial problems, and
3) there is a casual link between these difficulties and the unforeseeable event at stake. The aid can amount up to 50% of the admissible expenses but cannot exceed EUR 500,000.

Admissible expenses for calculating the amount of the aid are limited to the loss of income that must be established after a comparative analysis between the result realized during the three previous tax years and the forecast result of the months following the unforeseeable event. For simplification purposes, staff and rental expenses (with rental expenses being capped at EUR 10,000 per month and group of enterprises) are considered as admissible expenses.

With respect to self-employed persons, the amended text assimilates to staff costs the income generated by a self-employed activity provided that the self-employed persons are affiliated as such according to the provisions of the Social Security Code with a cap set at 2.5 times the amount of the minimum social wage. Financial aid will have to be reimbursed starting at the earliest 12 months after its payment.

General aid measures:

- Investments in hygiene may be included in applications for the investment aid (available for SMEs only); Amount of the aid cannot exceed 20 % of eligible costs for small enterprises and 10 % of eligible costs for medium-sized enterprises.
- Firms with cash-flow difficulties may contact one of the mutual companies for loan guarantees (mutualités de cautionnement) of the two professional associations (Mutualité de Cautionnement and Mutualité des PME), which guarantee part of the amount borrowed from approved credit institutions when the guarantees provided by the contractor prove to be insufficient. This activity, supported by the Directorate General for SMEs, guarantees the access to financing for SMEs.
Companies exporting goods and services:

- The Office du Ducroire continues to support Luxembourg companies in their efforts to prosper at the international level by means of financial support, even if the project is carried out in a country or region affected by the coronavirus. Despite possible extended delivery times and possible cost increases, the costs of transporting exhibition material to such a region remain eligible, under the condition that the exhibition material is returned and not for sale.

- In the event of the cancellation or postponement of a fair, the promise of aid remains valid and the company is asked to notify, by email, the Office du Ducroire who will make the necessary adjustments. It should be specified that, in such a case, the costs of cancellation (hotels, travel, etc.) are excluded from the costs covered.

- The Office du Ducroire also continues to provide credit insurance solutions for exports to countries or regions affected by the coronavirus. In addition, the coronavirus has no impact on existing coverages. Eligibility for compensation depends, among others, on the product of coverage and compliance with the compensation requirements.

- Belgian and Luxembourg authorities agreed to suspend the application of the 24 days tolerance rule for cross-border workers under the Belgium-Luxembourg double tax treaty as from 14 March 2020.
Individuals exercising an activity qualifying as commercial, agricultural and forestry or self-employed activity can request a cancellation of their advance of personal income tax ("PIT") using a specific form for the first two quarters of 2020.

Alternatively, taxpayers may also request a reduction of the amount of the advances to be paid rather than a cancellation via simple letter to the competent taxation office, explaining the reasons for the request and indicating the reduced amount of advances proposed to be paid.

A request for postponement by four months of the PIT payments becoming due on or after 1 March 2020 is possible. This extension of the payment date will be granted without computation of interest for late payment.

The deadline for filing the 2019 tax return is postponed to 30 June 2020 for individuals. The deadline to submit, revoke or amend a request for individual taxation is also extended to 30 June 2020.

The Belgian and Luxembourg authorities have agreed that the current coronavirus situation constitutes a case of force majeure for which no days are to be counted under the 24 days rule of tolerance for cross-border workers working outside of the country of exercise of their professional activity provided for by the Protocol final to the Belgium-Luxembourg double tax treaty. As of Saturday 14 March 2020, days during which worker will work remotely from home, in particular to carry out telework, will not be taken into account in the calculation of the 24 days tolerance period.

Starting from week of Friday 20 March, the indirect tax administration will reimburse VAT credit balances below EUR 10,000.

Companies can request a cancellation of their advance of corporate income tax ("CIT") and municipal business tax ("MBT") payments (not for net worth tax ("NWT") using a specific form for the first two quarters of 2020.

Alternatively, taxpayers may also request a reduction of the amount of the advances to be paid rather than a cancellation via simple letter to the competent taxation office, explaining the reasons for the request and indicating the reduced amount of advances proposed to be paid.

A request for postponement by four months of the CIT, MBT and NWT payments which due date is set after 29 February 2020 is possible. This extension of the payment date will be granted without computation of interest for late payment.

The deadline for filing 2019 corporate tax returns is postponed to 30 June 2020 for companies. The deadline to submit, revoke or amend a request for individual taxation is also extended to 30 June 2020.


Overview

On 27 February 2020, the Malaysian government announced a RM20bn (circa US$4.75bn) stimulus package comprising tax and non-tax measures, anchored on three strategies:

Strategy 1: Mitigating impact of Covid-19 by easing cashflow, providing assistance to affected individuals, promoting human capital development and stimulating the tourism sector.

Strategy 2: Catalyzing Rakyat-centric (i.e., people-centric) economic growth.

Strategy 3: Promoting quality investment.

Non-tax measures include:

- Accelerated public sector investments in the National Fiberisation and Connectivity Plan and opening of bid quotas for 1,400 MW of solar power generation.
- RM100m allocation to the Human Resources Development Fund for grants to train and upskill affected employees.
- RM500m allocation for travel vouchers, grants and tourism promotion.
- RM2bn allocated to federal, state and local governments for small infrastructure repair, maintenance and upgrading projects.
- An RM500m co-investment fund for investments alongside private investors in early-stage and growth-stage Malaysian companies.

Personal Tax

- Personal tax relief of up to RM1,000 on domestic tourism expenditures.
- The minimum Employees Provident Fund (EPF) contribution by employees will be reduced by 4% from 11% to 7%, with effect from 1 April 2020 to 31 December 2020.
- 2 month extended grace period for individuals to electronically file their 2019 income tax returns.

VAT, GST and Trade

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

Category: Stimulus package

Business tax

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

Links and resources

Mexico
Category: Other

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

Personal Tax

VAT, GST and Trade

Business tax

Links and resources

Contact: Jorge Libreros - Tax Policy Leader
Contact: Luz A. Zapata - Tax Desk Leader
Last updated: 03/18/2020
## Overview
- Emergency fund to compensate salary costs for businesses that expect a 20% decrease of turnover;
- Compensation payment of EUR 4,000 to certain businesses that were forced to (temporarily) close;
- Emergency relief for self-employed;
- Temporary deferral of energy taxes;
- Expanding existing government guarantees for loans to small to medium enterprises, as well as government guarantees for guarantees of businesses;
- Reduction of interest expenses and deferral of repayments for government-provided microfinancing;
- Expanding existing guarantees for small to medium agricultural and horticultural enterprises.

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

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

## Business tax
- Three months deferral of tax payments for corporate income tax;
- Reduction of tax and levy interest to 0.01%;
- Waiver of administrative fees for late payment for corporate income tax.

## Links and resources
On 17 March 2020 the Government released its $12.1b Business Continuity Package. The package represents 4% of New Zealand’s GDP, is one of the largest packages in the world on a per capita basis and is described by the Minister of Finance as “the largest investment in our lifetimes”. In addition to the tax measures, other measures will provide financial relief to businesses in the most affected industries, and at-risk employees with a financial safety net through targeted wage subsidies. The Government hopes to support employers to retain staff and workers to self-isolate as required.

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

- **Re-introduction of depreciation on commercial buildings:** Depreciation deductions at 2% diminishing value will be reintroduced for new and existing industrial and commercial buildings, including hotels and motels. The impact of these additional deductions will have the effect of reducing the taxes payable for the 2020-21 income year with a reciprocal impact on provisional taxes payable immediately. The cost of this change at $2.1b represents a significant part of the overall $12.1b package.
The Government will be administering wage subsidies for employers of affected businesses who may otherwise face difficulties retaining their staff. To qualify businesses must be able to show a 30% decline in revenue due to Covid-19, month-on-month for any month between January and June 2020 (compared to last year). Minister Robertson also noted that businesses are expected to approach their banks for financial assistance in the first instance.

Employers eligible to receive the subsidy will receive a lump sum payment of the equivalent of $585/week for each eligible full-time employee, and $350/week for part-time employees. The subsidy will be capped at 12 weeks and $150,000 per businesses. Over a 12-week period the full subsidy equates to roughly 21 full-time employees per week, which in effect limits the application of the measures for larger employers.

The Government has announced that it will implement a process to remit Use of Money Interest (UOMI) payable on or after 14 February for impacted businesses. The new remission process will be in place for two years. Businesses and individuals will need to show an inability to pay tax by the due date as a result of being significantly adversely impacted by the Covid-19 outbreak. Detail on the objective tests is yet to be finalized.

The Government has announced changes to increase to $5,000 the current $500 low-value asset threshold that allows businesses to deduct upfront the cost of assets purchased rather than having to spread the cost over the life of the asset. The threshold increase will apply for the 2020-21 income year, but will be reduced back to $1,000 from the 2021-22 income year.
<table>
<thead>
<tr>
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<th>VAT, GST and Trade</th>
<th>Business tax</th>
<th>Links and resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The subsidy will be administered by the Ministry of Social Development (MSD), as was the case with earlier Canterbury Earthquake wage-subsidy scheme. The same measures will be available for those who are self-employed and working as contractors.</td>
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<td>• Increases in sick-leave payments have been announced to support the use out of self-isolation, which the Government sees as central to a successful Covid-19 public health strategy.</td>
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<td>• The Government also announced significantly increased funding for the health sector to strengthen health services to fight and contain Covid-19. The overall measures nearly double the current annual spending on core public health services.</td>
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On 16 March 2020, the Central Bank of Nigeria (CBN) has announced various policy measures:

1. Intervention facilities have been granted; a further moratorium of one year on all principal repayments, effective March 1, 2020.
2. Interest rate on all CBN intervention facilities have been reduced from 9% to 5% effective March 1, 2020.
3. Credit facilities available to SMEs affected by Covid-19 including hoteliers, airline service providers healthcare merchants.
4. CBN is open to granting loans to pharmaceutical companies intending to expand/build the health facilities to first class centers.
5. CBN has granted deposit banks permission to consider temporary and time-limiting restructuring of tenor and loan terms for businesses and households impacted by Covid-19, particularly, the oil and gas, agriculture and manufacturing sector.
6. CBN will consider additional incentives to encourage extension of longer termed credit facilities.
7. CBN will provide liquidity backstops when required.
<table>
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<td>▶ On 16 March, 2020, the government presented a law proposal on emergency tax measures in order to mitigate the financial impacts of Covid-19. The law proposal has been adopted by the Parliament.</td>
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<td>▶ The government will continue to monitor the situation closely and consider additional measures continuously</td>
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<td>▶ Individuals owning a company engaged in active business are subject to net worth tax on their business assets. If the company is making a loss in 2020, the individual may defer the payment of the tax due in 2021 by one year.</td>
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<tr>
<td>▶ Loss-making companies may carry back losses and set them off against profits of previous tax years. This measure is limited to limited liability companies incurring a loss in 2020 and having profits from 2018 or 2019.</td>
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<td>▶ EY materials:</td>
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<tr>
<td>▶ Responding to Covid-19</td>
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<tr>
<td>▶ Corona virus (Covid-19), The most important labor law issues in the Nordic countries</td>
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### Poland

**Category:** Tax measures

**20 March 2020**

**EY Tax Covid-19 Response Tracker**

<table>
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<tr>
<th>Description</th>
<th>Personal tax measures</th>
<th>VAT/GST and Trade measures</th>
<th>Business measures</th>
<th>EY/Government materials</th>
</tr>
</thead>
</table>
| ► Stimulus package plans were announced in Poland on 17 March 2018. The assumptions of the package, as announced, are to be translated into laws later this week, and more precise information will be available in a few days. | ► Postponing of the PIT declaration deadline by at least one month. | ► Postponement of the date of entry into force - from 1 April to 1 July 2020 - of the new JPK_VAT (extended SAF-T) for large companies. | Pillar 2 of the package includes:  
► The possibility to postpone social security contributions, as well as after deferment, repayment in installments in order to avoid accumulation of payments;  
► Liquidity and guaranteeing (loan guarantees), which will be provided by PFR, BGK or ARP;  
► Preferentially interest-bearing loans up to PLN 5,000 for micro-entrepreneurs;  
► Solutions for the transport and logistics industry consisting in the possibility of refinancing lease contracts by the Industrial Development Agency. | - Contact: Agnieszka Talasiewicz - Tax Policy Leader  
- Contact: Sylwia Migdal - Tax Desk Leader  
- Last updated: 17 March 2020 |
| ► The stimulus package will cover 5 key pillars and its value will amount to approx. PLN 212 billion (approx. USD 56 bn):  
► Pillar 1 - activities related to the protection of jobs and employment;  
► Pillar 2 - activities related to the protection of enterprises;  
► Pillar 3 - activities related to supporting health care;  
► Pillar 4 - activities related to the functioning of the financial system (deposits);  
► Pillar 5 - activities related to public investment support. | | | | |
The GTA (General Tax Authority) issued a circular to extend the deadline of filing tax returns for the State Income Tax Regime with 2 months from 30 April until 30 June 2020.
### Overview

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

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

### Personal Tax

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

### VAT, GST and Trade

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

### Business Tax

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On 27 February 2020, the Korean National Tax Service announced that it will allow a one-month filing extension for corporate income tax returns for taxpayers located in a specific area, (such as Daegu) due to the coronavirus. The normal filing due date is 3 month after the end of fiscal year.

On 17 March 2020, the Ministry of Finance announced a corporate income tax exemption for small to medium enterprises located in specific areas (e.g. Daegu, Chungdo, etc.), except for enterprises engaging in real estate rental, professional services, financial & insurance businesses, etc.

The deadline for the submission of corporate tax returns for 2019 is extended for one month to 4 May 2020 for the fiscal year ended 31 December 2020.

A one-off corporate income tax exemption (limited to KRW 200M) for small and medium enterprises located in specific areas. A small enterprise is permitted to exempt up to 60% of its income tax liability and a medium enterprise is permitted to exempt up to 30% of its income tax liability.
On 14 March 2020, the Spanish Government issued Royal Decree 463/2020 declaring a State of Alarm (in Spanish, Estado de Alarma) for Spain. The Decree sets forth certain temporary measures that will apply during the current world health crisis. The duration of this State of Alarm as per the Decree is of 15 natural days (the longest this State can be declared as per the Spanish rules), but it can be extended if so approved by the Parliament.

Also, on 13 March 2020, the Spanish Government issued Royal-Decree Law 7/2020 providing small and medium-sized companies with a deferral for payment of certain tax debts (amounts due not exceeding €30,000 for up to six months - the first three months without incurring delay interest). For these purposes small and medium-sized companies are those whose turnover in the previous year does not exceed €6,010,121.04 in 2019.

On 18 March 2020 the Government has published the Royal Decree 465/2020 that modifies Royal Decree 463/2020 and the Royal-Decree Law 8/2020, establishing extraordinary urgent measures to address the economic and social impact of Covid-19 (amongst other, related to liquidity of companies, labour, mortgage repayment schedules, etc.).

**Overview**

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

**Personal Tax**

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**VAT, GST and Trade**

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**Business tax**

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**Links and resources**


Contact: Javier Seijo Perez - Tax Policy Leader
Contact: Jano Bustos - Tax Desk Leader
Last updated: 03/18/2020
Sweden

Category: Other

Overview

- The Government has various measures to mitigate the economic effects of Covid-19.
- A proposal on short-time work has been brought forward, and the government has proposed for it to enter into force on 1 May 2020. The proposal is intended to avoid layoffs as an effect of major crisis by enabling temporary arrangements with reduced salary, working times, etc.
- The cost for this is supposed to be split between the employees, the employer and the government. Further, companies will be granted an up to a one-year long respite with paying social contributions and preliminary taxes. In addition, the sickness benefit is normally not paid for a first qualifying day. This first day will now be subject to benefits and this will be paid by the government.

Personal Tax

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

VAT, GST and Trade

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

Business tax

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

Links and resources

- https://skattenatet.ey.se/2020/03/cashflow-support-through-postponed-tax-payments-due-to-corona-pandemic/
- https://skattenatet.ey.se/2020/03/new-rules-on-short-time-work/
- Corona virus (Covid-19), The most important labor law issues in the Nordic countries
- Responding to Covid-19
On March 13, 2020 the Swiss government announced that it will support businesses impacted by coronavirus with currently up to CHF 10bn:

- Up to CHF 8 billion can be claimed for short-time working compensation from the unemployment insurance fund. Companies will only have to bear the loss of one day's work independently before they are entitled to unemployment insurance support. The Federal Council also instructs the State Secretariat for Economic Affairs to examine by 20 March an extension of the entitlement to short-time working compensation to employees with fixed-term (non-terminable) employment contracts and employees on temporary contracts. Such an extension requires an amendment to the law.

- For companies that are particularly affected, the Federal Council is considering financial support (e.g., for liquidity bridging or financial assistance) in the form of a hardship provision of up to CHF 1 billion. Under the leadership of the Federal Department of Finance, the relevant modalities are to be examined by 1 April and the necessary funds applied for.

- As of now, up to CHF 580 million in guaranteed bank loans are available to SMEs with financial bottlenecks. An additional CHF 10 million is to go to surety companies for extraordinary administrative costs. Four recognized surety companies can grant guarantees of up to CHF 1 million to companies of any size. Guaranteed bank loans must be repaid. The Federal Council also facilitates the conditions for a guarantee. Until the end of 2020, it intends to assume the one-off application costs and the risk premiums of companies for first year of the guarantee.

- Up to 4.5 million Swiss francs can be applied for defaults in connection with (trade fair) activities of the official export promoter S-GE.

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Overview

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

Personal Tax

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

VAT, GST and Trade

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

Business tax

- An enterprise may claim a 200% tax deduction for expenses incurred in the tax year on salaries and wages paid to employees who take leave for the one of more in-scope reasons related to Covid-19 infection.
- Corporate income tax filing and payment deadline 1 June 2020 could be extended to 30 June 2020. Companies that use another fiscal year end, rather than calendar year, may be allowed 30 days filing and tax payment extension, if their fiscal year end is prior to 1 June 2020.
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Links and resources


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Thailand

Category: Stimulus package

Overview

On 10 March 2020, the Cabinet approved 5 tax measures to stimulate the economy, as summarized:

1. Reduction of withholding tax rate
2. Deduction of 1.5 times actual interest expenses allowed for SMEs with soft loans
3. Deduction of 3 times wage expenses for SMEs
4. Acceleration of VAT refunds for domestic business operators
5. Tax deductions for donations made to resolve Covid-19 issues in 2019

Further details of this measure and associated regulations have yet to be announced.

Personal Tax

- Tax allowances for donations of money for personal income tax calculation purposes, when combined with other donation expenses, shall not exceed 10% of net income. Donations shall be made via the e-Donation system between 5 March 2020 and 5 March 2021.
- Further details of this measure and associated regulations have yet to be announced.

VAT, GST and Trade

- VAT shall be exempted for donations made in assets.
- Expediting VAT refunds for domestic business operators: The VAT refund procedure for the Good Exporters shall be expedited to return within 15 days for e-filing and 45 days for paper filing.
- Further details of this measure and associated regulations have yet to be announced.

Business tax

- Tax deductible expenses for donations of assets or money for corporate income tax calculation purposes, when combined with other public charity expenses, shall not exceed 2% of net profit. Donations shall be made via the e-Donation system between 5 March 2020 and 5 March 2021.
- A deduction of 1.5 times the actual interest expenses allowed for SMEs with soft loans: SMEs, who have single books of account and participate in the soft loan scheme of the government, can deduct 1.5 times interest expenses paid from 1 April 2020 to 31 December 2020.
- A deduction of 3 times the wages expense for SMEs: SMEs can deduct three times the actual wages payment for the months of April 2020 to July 2020, which are made under the prescribed conditions.
- Reduction of withholding tax rate: WHT rate reduction for service fees under this measure shall be applicable to both individual and company or juristic partnership as below:
  - From 3% to 1.5% from April 2020 to September 2020
  - From 2% to 1.5% from October 2020 to December 2021 (only filing via e-withholding tax system)
- Further details of this measure and associated regulations have yet to be announced.

Links and resources

- https://sites.ey.com/sites/THTaxNewsletter/Documents/FlashNews/FlashNews%20200313%20EN.pdf

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

Noted: A Thai SME is a Thai company with revenue not exceeding THB 500 million (USD 15.7 million) and less than 200 employees, among other conditions.
### Overview
The Government announced the following measures:
- A 50% reduction in municipal fees paid by hotels and market fees.
- 10% reduction in water and power bills.
- Allowing business licenses to be paid in installments without the usual 25% upfront payment.

### Personal Tax

### VAT, GST and Trade
- Refund of 20% on the custom fees imposed on imported products sold locally in Dubai.

### Business tax

### Links and resources

- Contact: Asmaa Ali - Tax Desk Leader
- Last updated: 18 March 2020
Overview

- On 11 March, the Monetary Policy Committee of the Bank of England reduced interest rates by 50 basis points, from 0.75% to 0.25%.

- Shortly thereafter, and in his first budget since taking up the role, British Chancellor Rishi Sunak has unveiled a £30 billion package to boost the economy and get the country through the coronavirus outbreak. Of the £30 billion in announced extra spending, £12 billion will be specifically targeted at coronavirus measures, including at least £5 billion for the National Health Service (NHS) in England and £7 billion for business and workers across the UK. Some of the specific measures include:
  - A £5 billion emergency response fund to support the NHS and other public services in England
  - All those advised to self-isolate will be entitled to statutory sick pay, even if they have not presented with symptoms
  - Self-employed workers who are not eligible will be able to claim contributory Employment Support Allowance
  - The ESA benefit will be available from day one, not after a week as before
  - £500 million hardship fund for councils in England to help the most vulnerable in their areas
  - Firms with fewer than 250 staff will be refunded for sick pay payments for two weeks
  - Small firms will be able to access "business interruption" loans of up to £1.2 million
  - Business rates in England will be abolished for firms in the retail, leisure and hospitality sectors with rateable value below £51,000
  - £6 billion in extra NHS funding over five years to pay for staff recruitment and start of hospital upgrades
Less than a week after Budget 2020, the UK Chancellor, Rishi Sunak, announced a wide-ranging package of further measures to support businesses and individuals affected by the outbreak. These included £330bn of Government-backed and guaranteed loans to businesses through two main schemes:

- To support liquidity amongst larger firms, there will be a new lending facility to provide low cost, easily accessible commercial paper.
- To support lending to small and medium sized businesses, the new Business Interruption Loan Scheme announced at the Budget last week, will now provide loans of up to £5 million, with no interest due for the first six months.

The Chancellor promised that both of these schemes will be up and running by the start of next week.

He addressed further assistance to those sectors most affected to date by the Covid-19 outbreak and the resultant 'social-distancing' policy, being retail, hospitality and leisure businesses:

- 2020-21 business-rates holiday offered at Budget 2020 for retail, hospitality and leisure businesses with a rateable value of less than £51,000 will now be extended to all businesses in this sector, regardless of their size.
- Increase in the grants to small businesses eligible for Small Business Rate Relief from £3,000 to £10,000.
- Further £25,000 grants to retail, hospitality and leisure businesses operating from smaller premises, with a rateable value over £15,000 and below £51,000.
- For individuals, the Chancellor promised that for those in difficulty due to the Covid-19 outbreak, mortgage lenders will offer at least a three month mortgage holiday.

He announced that he would work with trade unions and business groups to urgently develop new forms of ‘employment support’ to help protect people’s jobs and incomes through this period.

From a tax perspective, there were no changes proposed to the way ‘Time to Pay’ arrangements operate. The current process for deferring tax liabilities provides immediate relief, but, even with the newly dedicated resource, is potentially a time consuming and uncertain process. By making it available automatically on request, the Chancellor could remove a huge area of concern for business.
United Kingdom

Category: Stimulus package, interest rate cut

VAT, GST and Trade

- Business rates in England will be abolished for firms in the retail, leisure and hospitality sectors with rateable value below £51,000.
- 2020-21 business-rates holiday offered at Budget 2020 for retail, hospitality and leisure businesses with a rateable value of less than £51,000 will now be extended to all businesses in this sector, regardless of their size.
- Increase in the grants to small businesses eligible for Small Business Rate Relief from £3,000 to £10,000.
- Further £25,000 grants to retail, hospitality and leisure businesses operating from smaller premises, with a rateable value over £15,000 and below £51,000.

Links and resources

Government material:
### Overview
- **March 3:** Federal Reserve (Fed) cuts interest rates by 0.5%
- **March 6:** $8.3b spending bill signed by President (H.R. 6074)
- **March 12:** Fed initiates quantitative easing, committing to purchasing $1.5t in short-term Treasury debt from banks
- **March 13:** Emergency disaster declaration signed by President, freeing up $40b in additional funding
- **March 14:** House passes Families First Coronavirus Response Act (H.R. 6201).
- **March 15:** Fed drops interest rates to zero and buys $700b in government bonds
- **March 18:** Treasury releases priorities for a third economic relief and stimulus package
- **March 18:** Senate passes Families First Coronavirus Response Act (H.R. 6201).

### Personal Tax
- **March 18:** Individual taxpayers can defer tax payments of up to $1m that would otherwise be due April 15 for 90 days interest and penalty free (IRS Notice 2020-17). The payment due date is now July 15, the postponed payment amount is the same for single individuals and those married filing jointly, and the guidance does not change the April 15 filing deadline

### VAT, GST and Trade
- **March 18:** Corporate taxpayers can defer payments of up to $10m that would otherwise be due April 15 for 90 days interest and penalty-free (IRS Notice 2020-17). The payment due date is now July 15 and the guidance does not change the April 15 filing deadline
- Under H.R. 6201, employers with fewer than 500 employees would receive a 100% refundable payroll tax credit on wages required to be paid due to paid family/sick leave related to Covid-19 and additional health benefit contributions.
  - Maximum paid sick leave tax credit is $5,110 for those who leave because of their own health issues and $2,000 for those who leave to care for others
  - Maximum family and medical leave tax credit is $10,000

### Business tax
- **March 18:** Individual taxpayers can defer tax payments of up to $1m that would otherwise be due April 15 for 90 days interest and penalty free (IRS Notice 2020-17). The payment due date is now July 15, the postponed payment amount is the same for single individuals and those married filing jointly, and the guidance does not change the April 15 filing deadline

### Links and resources
- **EY documents:**

- **Government documents:**
  - [https://www.congress.gov/bill/116th-congress/house-bill/6201?q=%7B%22search%22%3A%5B%22hr6201%22%5D%7D&s=1&r=1](https://www.congress.gov/bill/116th-congress/house-bill/6201?q=%7B%22search%22%3A%5B%22hr6201%22%5D%7D&s=1&r=1)
Vietnam is proposing to cut VAT for restaurants, hotels, transport and tourism companies.
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