

Legislative Act on new Measures Aimed at Dealing with the COVID-19 Pandemic

On 30 March, a new Legislative Act was published introducing new measures that had been announced by governmental officials and aimed, amongst others, at assisting businesses and professionals amidst the financial implications of the pandemic. The new measures that are of interest to businesses can be summarized as follows:

- Businesses that have been materially affected by the pandemic (as defined by the decisions of the Ministry of Finance) are entitled to a 25% discount on the installments payable to the tax authorities from 30 March to 30 April, provided that these installments are paid in a timely manner. Debts corresponding to VAT and withholding tax obligations that have not been settled as well as debts resulting from the recovery of state aid and debts to foreign public authorities are exempt from the above reduction.
- From 30 March till 31 May 2020 the deadlines for the presentation and payment of promissory notes (including checks) are suspended for a period of 75 days from the date of payment of each note. This applies to businesses whose operation has been suspended or prohibited as well as to those which have been materially affected. Businesses whose operation has been suspended or prohibited and those whose business operation codes (ΚΑΔ) have already been included in the list of those which are considered to have been materially affected have to notify the promissory notes electronically to the banks within three (3) business days from the publication of the Legislative Act. Businesses that will be added to the list of the materially affected at a later stage must notify the notes to the banks within three (3) business days from the date that they will be included in the list.
- Bearers of promissory notes who are not included in the list of the materially affected businesses may, upon the publication of the Legislative Act, be treated as materially affected as of 1 April in case the value of the promissory notes in their possession whose payment has been suspended exceeds 20% of

their average monthly turnover of the preceding fiscal year. This provision does not apply to businesses whose turnover has significantly increased during the pandemic. The business activity codes (KAA) of the businesses whose turnover is considered to have significantly increased during the pandemic crisis will be defined by a decision of the Minister of Finance.

- Materially affected businesses may be granted support in the form of return of advance tax payments that have already been made. This support is granted according to what is prescribed by the Communication of the European Commission C(2020) 1863/19.3.2020 on "Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak", as approved by the Commission. The beneficiaries of the aid, the amount, the required data, the way of payment and return of the aid and the obligations of the beneficiaries will be defined in a decision of the ministers of Finance and Development.
- Businesses whose operation has been suspended or prohibited or which are considered to have been materially affected may pay the Easter allowance of employees at a time later than what is provided by law and, in any event, no later than 30 June 2020. In cases where the employment relationship has been suspended and its duration until the suspension does not cover the entire period from 1 January to 30 April, the Easter allowance is paid by the employer proportionally to the time that the employment agreement was in place (i.e. for the time from 1 January until the suspension of the employment agreement). In these cases, the amount of the Easter allowance corresponding to the suspension period is paid by the State budget.

- The operation of the Central UBO's Registry is suspended for a period of 3 months from the publication of the Act, i.e. until 30.6.2020.

The Act also includes various other measures regarding the suspension of deadlines for payments for certain persons that have come under the provisions of laws for extrajudicial settlement of debts and for over-indebted individuals and regarding the extension of deadlines for certain judicial actions, the operation of food markets and health-related matters.

Yannis Kelemenis & Ioanna Lazaridou
(Partners)