



Newsletter

March 2020

COVID-19 TAX, LABOR & OTHER MEASURES

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COVID-19 TAX, LABOR & OTHER MEASURES

The Hellenic government has so far announced and implemented (through legislative decrees and ministerial decisions) sets of financial and tax measures to support businesses affected by the emergence and spread of COVID-19. Further measures are expected in the near future. Briefly, the government measures already in place in the tax, social security and labor areas are the following:

Social security/Labor measures:

- ***Remote working – Teleworking***

Employers may unilaterally decide that the employees will provide their work by remote working/teleworking, where possible.

- ***Special Purpose Leave to working parents***

Working parents may be granted with a special purpose leave until 10.04.2020 due to the forced closure of schools.

The minimum period of the special leave is three (3) days provided that the employee uses one (1) day of his/her annual leave for every three (3) days of special leave, whereas 2/3 of the special leave is covered by the employer and 1/3 by the State.

The special purpose leave period is working time, paid and insured as such.

- ***Payment of social security contributions***

It has been announced that the deadline for payment of social security contributions due in February shall be extended for three (3) months, without interests and surcharges. Debt settlement payments towards social security funds shall also be suspended for three (3) months.



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- ***Security personnel***

Employers may designate on a weekly basis, security personnel, which shall amount to at least 50% of their personnel. Each employee may work for a minimum of two (2) weeks each month, continuously or intermittently.

Employers who apply this measure shall maintain the same number of employees employed at the time of its commencement.

- ***Transfer of personnel to companies within the same group***

Employers whose businesses are severely affected or are subject to prohibition of operation may transfer personnel from a company to another company within the same group, pursuant to a relevant agreement between them. Companies within the same group, when applying these provisions, shall maintain in total the same number of employees employed prior to the transfer.

- ***Suspension of work***

Companies that are severely affected by the COVID-19 coronavirus shall be entitled to suspend part or all of their employees from work. Categories of companies entitled to such measure have been specified by the Ministry of Finance by reference to the CPA codes.

Such measure can be implemented for one (1) month as of entry into force of the 20.03.2020 Legislative Act (i.e. until 20.04.2020), with a possibility of extension by virtue of a joint decision of the Ministers of Finance and Labor and Social Affairs.

During the time of suspension, termination of a contract is expressly prohibited and in case a company proceeds to such termination this shall be void. Upon the expiry of the suspension period, companies are obliged to retain the same number of employees for an equal amount of time.

All employees in suspension of work, by virtue of a public authority order or by employer's decision, shall be entitled to the ad hoc financial support of EUR 800,00, as a special purpose compensation, with full insurance coverage based on their nominal salary.

In order for the employees to receive EUR 800,00, a respective solemn declaration of the employer must be submitted to "ERGANI", which must be notified within the same day to the employee in writing or electronically, together with protocol number of such declaration to "ERGANI". Upon such notification, employees must proceed to a respective declaration to the relevant special electronic platform of the Directorate General of



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Employment Relations. Employers who fail to submit such declaration, are not entitled to make use of the beneficial provisions on suspension of payment of debts to the State.

- ***Invalidity of termination of an employment contract***

Employers who are subject to suspension of their businesses by virtue of a public authority order, and for as long as the implemented measures against COVID-19 coronavirus last, shall be obliged not to make redundancies of their personnel and any termination of an employment contract would be void, with effect from 18.03.2020.

- ***Easter bonus***

Easter bonus can be postponed until summer and paid along with holiday allowance, without any sanction. It is advised however that if an employer is able to pay the Easter bonus within its legal deadline, it should do so.

Tax measures:

- ***Extension of deadline for payment of VAT and assessed tax debts/Suspension of collection of VAT and assessed tax debts***

Businesses financially affected by the spread of COVID-19 shall be granted an extension (until 31.08.2020) of the deadline for payment of VAT and assessed tax debts towards the tax authorities/audit centers and debt settlement installments, without interest and surcharges. The measure shall cover VAT and assessed tax debts due as from 11.03.2020 and up to 30.04.2020. Also, collection of VAT and assessed tax debts that were due and payable on 11.03.2020 is suspended until 31.08.2020.

The measures apply to approximately 440.000 businesses with specific CPA codes identified by the Ministry of Finance in a dynamic list subject to update, irrespective of whether their operation continues or ceases by a state mandate or on their own initiative.

In the event that the employer opts for (partial or total) suspension of the active employment contracts, the measures are conditional upon non-termination of employment contracts by the employer and preservation of the same number of jobs after completion of the suspension period, otherwise the benefits shall be lifted and debts shall be subject to initial interest and surcharges.



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- ***Extension of deadline for submission of MYF customer & supplier lists/Lease Information Statements for Real Estate Property***

The deadline for submission of MYF customer and supplier lists for year 2019 is extended until 30.06.2020. Any correction of deviations in suppliers' data for year 2019 may be validly submitted until 31.07.2020.

As announced, by virtue of a Ministerial Decision, the deadline for filing of initial or supplementary "Lease Information Statement for Real Estate" with respect to leases starting/amended from 1.02.2020 up to 30.04.2020 as well as initial "Short-Term Rentals Statement" for the period 1.02.2020 to 31.05.2020 is also extended until 30.06.2020.

- ***Reduction in VAT rate on products used for protection from spread of COVID-19***

The VAT rate charged on products necessary for the protection of health and the prevention of spread of COVID-19 (indicatively, surgeon masks and gloves, antiseptics, soaps) is reduced to 6% (previously 24%). This measure shall apply until 31.12.2020.

- ***Reduced payment of commercial property rent***

Affected businesses which are obliged to suspend or temporarily cease their operation due to the spread of COVID-19 are granted a reduction of 40% in payment of the total amount of the commercial property rent due for March and April 2020. The same applies for financial leasing of movables and immovables as well as for the rent of the primary residence of employees of affected businesses of which employment contract is temporarily under suspension.

For individuals, owners of real estate property rented by affected businesses as commercial property who receive a 40% reduced rent, the deadline for payment of their assessed tax debts and debt settlement installments is also extended until 31.08.2020, without interest and surcharges.

- ***Acceleration of income tax and VAT refunds***

The Independent Authority for Public Revenue (AADE) shall proceed with immediate refund of all outstanding liabilities to individuals and businesses in all cases under audit provided that the requested amount is up to 30.000 Euros (per beneficiary and per tax item). However, refunds may be subject to a sample test tax audit on the basis of risk-analysis criteria.



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- ***Other announced measures***

- In the context of the Framework issued on March 19, 2020 by the European Commission on the basis of article 107(3)(b) of the Treaty of Functioning of the European Union to support the economy in the context of COVID-19 outbreak, the Ministry of Finance has announced the financing (up to 1bn Euros to all businesses) through a refundable advance payment, depending on certain criteria such as the decrease in turnover and salary and non-salary personnel costs of the affected businesses.
- The Uniform Real Estate Property Tax (ENFIA) for year 2020 shall be calculated on the same tax values of properties (objective values) of real estate property as in 2019 and the adjustment of the tax values will take effect next year.

The present newsletter contains general information only and is not intended to provide specific professional advice or services.

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