

CORONAVIRUS (COVID-19)

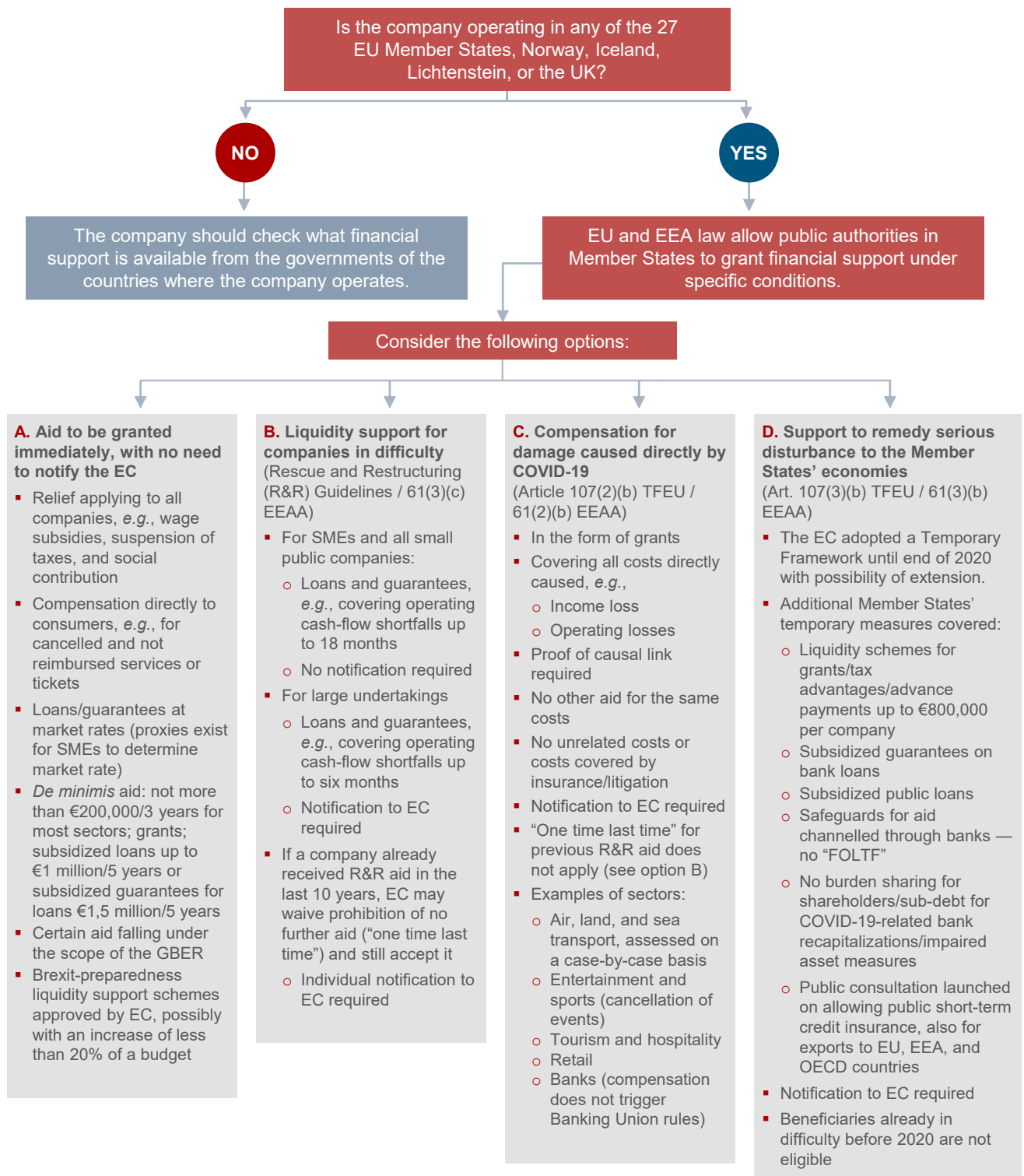
WHAT PUBLIC FINANCE SUPPORT (STATE AID) IS AVAILABLE IN THE EU, THE EEA, AND THE UK?

- While the COVID-19 outbreak is a severe public health emergency for citizens and societies, it also poses the risk of a serious downturn in the economy, affecting businesses, jobs, and households.
 - In these exceptional circumstances, undertakings of all kinds may face a sudden shortage or even unavailability of liquidity, may suffer damages directly caused by the measures taken to tame the spread of the virus, or may just struggle to preserve the continuity of economic activity during and after the outbreak.
 - Given the limited size of the European Union (EU) budget, the main financial support will come from Member States' national budgets.* Therefore, undertakings seeking to benefit from financial support offered by a Member State will need to do so mainly through processes set out by the relevant national authorities.
 - However, under EU rules, any public intervention from Member States that provides a selective advantage to one or more companies and distorts competition within the EU single market (*i.e.*, State aid) is prohibited unless specifically authorized by the European Commission (EC).
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- The chart below sets out some of the options available to Member States to grant support measures in line with EU State aid rules. Similar EEA State aid rules apply to Norway, Iceland, and Lichtenstein.
 - The first category of measures concerns support that can be granted immediately by Member States without the EC's involvement. This includes no-aid measures that fall outside the scope of EU State aid control (*e.g.*, support applicable to all undertakings or directly to consumers. This category also includes aid measures that are exempted from notification as *de minimis*, are covered by the General Block-Exemption Regulation (GBER), or are part of certain repurposed schemes already approved (option A).
 - In addition, aid falling under three further categories can be granted if notified to and approved by the EC:
 - Liquidity support such as loans and guarantees for cash-flow shortfalls granted to small- and medium-size enterprises (SMEs) and large undertakings (option B)
 - Compensation for damages caused directly by COVID-19, which can also be granted for specific sectors particularly hit by the outbreak (*e.g.*, transport, entertainment and culture, tourism and hospitality, retail, and banks) (option C)
 - Support to remedy the serious disturbance to the Member States' economy caused by COVID-19. As it did during the 2008 financial crisis, the EC has adopted a specific Temporary Framework, which is in force until the end of 2020 (subject to extension), to allow temporary measures such as liquidity schemes, guarantees on bank loans or subsidized public loans, safeguards, and leniency for aid through and for banks. The EC has also launched a public consultation to evaluate whether to temporarily remove certain countries from the list of "marketable risk countries" in relation to short-term export credit insurance. This would in principle allow EU Member States to step in and provide insurance for exports to those countries, namely all EU and EEA Member States and certain OECD countries (the US, Canada, Japan, Australia, New Zealand, Switzerland) (option D)
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- Before receiving financial support, companies should confirm that the support complies with all relevant EU State aid requirements and that Member States' authorities have notified and the EC has approved the support, unless it is exempted from notification. The EC has indicated its willingness to swiftly approve COVID-19-related aid measures.
 - Companies should carefully evaluate the risk of receiving aid that has not been approved (illegal aid) as this might have to be reimbursed with interest.
 - Competitors and other interested parties that are aware of illegal aid being granted, including through Member States using the COVID-19 crisis to support already unviable companies, can lodge complaints to the EC or litigate before national courts. The EC can also launch investigations on its own initiative.
 - Companies should ensure that the relevant support measures comply with all requirements under national rules. The chart below includes several announced or contemplated support measures per Member State.
 - Latham & Watkins stands ready to advise clients on EU and national aspects on these matters. For more details, please consult the Contact indicated in each jurisdiction.

* References to "EU Member States" should be read as including the UK, as EU State aid rules continue to apply to and in the UK until the end of 2020.

CORONAVIRUS (COVID-19)

PUBLIC FINANCE SUPPORT (STATE AID) IN THE EU, EEA, AND UK



For financial support to be legal, it must be granted in accordance with both national and EU/EEA rules. Companies should confirm that Member States' authorities have cleared any aid with the EC and/or that the aid complies with EU rules. Companies should carefully evaluate the risk of receiving illegal aid, as it can lead to a situation in which an authority might be compelled to recover the aid with interest from any recipient.

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PUBLIC FINANCE SUPPORT ENACTED (AS OF 25 March 2020)

Member States	Measure	Budget
BELGIUM (differences exist between the regions) Measures are in flux, and packages are updated frequently	For all undertakings Extended use of the “temporary unemployment” regime. Employers are allowed to suspend employment contracts or reduce the to be performed hours. During the suspension or “decrease” period, the employer is exempt from the obligation to pay the employee’s salary, and the government covers the salary (coverage limited). Period currently covered: 13 March – 30 June.	Max. €38.5 billion
	Guarantee scheme (Federal government) – banks agreed to offer a credit packages of €50 billion. <ul style="list-style-type: none"> • Applicable to all new credit issued with a duration of max. 12 months. • Open to all undertakings which did not have any payment issues on February 1 or had a max payment delay of 30 days on February 29. • SMEs will have to pay the state a compensation 0.25%, and non-SMEs 0.5%. • The state guarantees 0% of the first 3% of credit losses, 50% of the credit losses between 3% and 5%, and 80% of the credit losses above 5%. • In addition, on existing credit lines a deferral of payment will be granted until 30 September if the undertaking can demonstrate payment issues. 	
	Extension of guarantee scheme (Flemish government). Guarantee of up to 75% in exchange for a one-off premium. The coronavirus extension of the scheme ensures that undertakings can also have a bridging loan guaranteed for existing non-bank debts (up to 12 months).	€100 million
	Postponement or payment plans for certain social charges and certain taxes. Measures being negotiated: <ul style="list-style-type: none"> • Damage coverage – in contact with EC. 	
	For undertakings with a physical presence (office, shop, etc.) in the Flemish region “Nuisance allowance”. Allowance for all undertakings which are obliged to close. <ul style="list-style-type: none"> • One allowance per “office” / “shop” with a max. of 5 allowances. • €4k for the first 21 days of obliged closing, afterwards €160/day. 	
	To-be-determined aid measures for youth and social tourism sector.	€5 million
	Measures taken by Brussels capital region Details to be determined: <ul style="list-style-type: none"> • Payment of a one-off premium for all undertakings affected by the emergency measures which are obliged to close. • The abolition of the city tax for the first half of 2020. • Guaranteeing of bank loans. • Finance & Invest.brussels to take the following initiatives: <ul style="list-style-type: none"> • Low interest loans for (i) key suppliers of the horaca sector that allow them to offer their horeca customers a longer payment period; and (ii) horeca businesses with more than 50 employees. • A moratorium on the repayment of capital on loans granted by Finance & Invest.brussels to affected companies in the sectors mentioned above. 	€110 million

PUBLIC FINANCE SUPPORT ENACTED (AS OF 25 March 2020)

Member States	Measure	Budget
BELGIUM (differences exist between the regions) Measures are in flux, and packages are updated frequently	Walloon region measures Lump sum allowance for micro- and small undertakings: <ul style="list-style-type: none"> • €5k per company compelled to completely close as a result of the decisions adopted by the government and is active in one of the following sectors: horeca (NACE code 56); hotels (NACE code 55); travel agencies, tour operators, and related activities (NACE code 79); retail (NACE code 47 - except 47.20, 47.62, 47.73). • €2.5k per company compelled to partially close as a result of the decisions adopted by the government and active in the following sectors: hairdressers (NACE code 96.021). 	€233 million
	Delayed payment or payment plan for water and electricity bills.	
	Guaranteeing credit lines for SMEs. Guarantee ranging between 50% (on existing credit lines) and 75% (on extended credit lines or on new short term credit lines).	
	Loans and guarantees by agencies focused on (i) businesses being reorganized, and (ii) care agencies, care homes, assisted living facilities, etc.: <ul style="list-style-type: none"> • Rapid granting of loans equivalent to loans granted by banks (1:1 principle). • Public guarantees up to 75% of bank loans. • For companies in difficulty: 75% guarantee for a maximum amount of € 2.5 million per beneficiary. • Loans of up to €200,000 (without private counterpart) to support corporate cash flow. 	€100 million
	Extension of support offered by the Regional investment fund: <ul style="list-style-type: none"> • Extension of guarantee mechanism from €50 to 250 million (guarantee system for non-SME companies). • Guarantees (up to 75%) on existing short-term credit lines and possible extensions (medium-term credit). 	
	Measures for the health and social sector.	€115 million
For undertakings active in the travel and event sector Travel sector <ul style="list-style-type: none"> • Temporary derogation from the obligation to reimburse travelers for cancelled vacation packages, provided that the operator provides the traveler with a voucher of equal monetary value valid for at least one year. • Insolvency insurance is obliged to cover issued vouchers. 		
Event sector <ul style="list-style-type: none"> • Right to temporarily not refund. If the same event is organized at a later date within a reasonable period (except if the consumer can prove that he/she cannot attend the event at the later date) • Extended reimbursement period. If the event cannot be organized at a latter date, the organization will be granted a sufficient period of time for reimbursement so that reimbursements can be spread over time 		
For self-employed <ul style="list-style-type: none"> • Postponement or payment plans for certain social charges and certain taxes • Replacement income for who has to interrupt his self-employed activity due to the coronavirus crisis or is forced to close his business. 		
Relevant measures for Individuals Extension of “part-time work” incentive bonus for employees working at “an undertaking in difficulties”. The bonus, which exists to encourage full-time workers to work part time to avoid redundancies, is now extended to undertakings facing declining production, declining turnover, or falling orders as a result of the COVID-19 crisis. The monthly premium for the employee will be between €68 and €172. The bonus is conditional on a reduction in production of at least 20%.		
Temporarily unemployed individuals based in the Flemish region will automatically receive €202.68 to pay their water and energy bill.		

PUBLIC FINANCE SUPPORT ENACTED

(AS OF 25 March 2020)

Member States	Measure	Budget
FRANCE €45 billion package + €300 billion in State loan guarantee	Aid to individuals: (probably not triggering State aid issues): Sick leave mechanisms will be adapted to cover employees unable to work to attend their children — employees will receive 90% of their net wages from the State.	
	Aid to undertakings: <ul style="list-style-type: none"> • Independents forced to shut down their Undertakings placing their staff in temporary leave ("chômage partiel") will be entirely compensated for the cost associated with this measure (84% of net wages) • Activity (restaurants, non-food businesses, tourism, etc.) will also benefit from a specific "solidarity fund" <ul style="list-style-type: none"> ○ Applies to businesses (i) achieving sales below €1 million and (ii) which shut down on 15 March or after or which suffered at least a 70% decrease in sales in March 2020 compared to March 2019 ○ Immediate €1,500 support on the basis of a simple declaration ○ Increased support available on a case by case basis to avoid bankruptcy • Various other measures have been announced: <ul style="list-style-type: none"> ○ Deadline extended on payments of certain social charges and certain taxes; in most critical cases, tax breaks can be awarded ○ Suspension of rent and utility (water, electricity) bills for SMEs in difficulty ○ Recognition of a state of <i>force majeure</i> with respect to public contracts: delay penalties do not apply in contracts with public bodies ○ Various measures implemented through BPI, a State-owned financial institution include: <ul style="list-style-type: none"> ▪ State guarantees to provide access to liquidity [two schemes approved by the EC on 21 March 2020]: <ul style="list-style-type: none"> ▪ BPI to provide State guarantees on commercial loans and credit lines for enterprises with up to 5,000 employees ▪ State guarantees to banks on portfolios of new loans for all types of companies ▪ Extension of current BPI guarantees ▪ BPI awarding credit lines ▪ BPI borrowers are allowed to suspend interest payments 	€8.5 billion €2 billion €32 billion €300 billion

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PUBLIC FINANCE SUPPORT ENACTED (AS OF 25 March 2020)

Member States	Measure	Budget
GERMANY 16.03.2020 / 22.03.2020 Protective Governmental Shields	Grants for short-time work allowances (<i>Kurzarbeitergeld</i>) will be more easily available for companies to realize substantial salary savings by sending employees home on a temporary basis. The respective rules will be relaxed, inter alia: Reduction of the minimum ratio of the employees in a company affected by shorter working hours to up to 10%.	
	Tax-related Liquidity Assistance: <ul style="list-style-type: none"> • Taxpayers can defer taxes if payment would lead to significant hardship. • As soon as it becomes clear that a taxpayer's income is expected to be lower than in the previous year, tax prepayments shall be reduced in a swift and straightforward manner. • Enforcement measures and late-payment penalties will be waived until 31 December 2020 if debtor of pending tax payments is directly affected by coronavirus implications. 	
	Shield for Businesses' Liquidity: <ul style="list-style-type: none"> • Suspension of the obligation to file for insolvency (within a period of three weeks) up until 30 September 2020 for companies that are hit by coronavirus implications which have sufficient prospects of being restructured based on ongoing financing and restructuring negotiations. Suspension shall enable companies to organize additional State aided financing together with their respective banks. • Conditions for KfW-Unternehmerkredit¹ (business loans for longer existing companies) and ERP-Gründerkredit-Universell (start-up loans for companies that are less than five years old) will be loosened by raising the level of risk assumptions and extending instruments to large enterprises (no turnover threshold). Maximum principal is raised to €1 billion. Risk assumptions for both investment funds and operating resources (indemnity) will be improved and will total up to 80% in the case of large companies and up to 90% in the case of small and medium-sized enterprises as defined in Annex I of Commission Regulation EU 651/2014. • KfW has launched an additional program "Direktbeteiligung für Konsortialfinanzierung" (direct investment in consortium financing) especially for consortium structures with risk assumptions of up to 80% (indemnity). 	Unlimited Approved by the EC (22 March)
	Measures for guarantee banks (<i>Bürgschaftsbanken</i>) include: the guarantee limit will be doubled to €2.5 million and Federation will increase its risk share in guarantee banks by 10%. The upper limit of 35% of operating resources in guarantee banks' total exposure will be increased to 50%. Federal State is giving guarantee banks authority to make guarantee decisions up to €250,000 independently and within a period of three days.	
	A guarantee program for companies in structurally weak regions will be opened for other companies as well. Federation covers operating loans and investments with a surety requirement above €50 million and a guarantee rate of up to 80%.	
	Economic Stabilisation Fund (Wirtschaftsstabilisierungsfond, WSF): <i>(programme still requires approval of the German Parliament, which is expected soon)</i> The objective of the WSF is to ensure liquidity and solvency of companies that were healthy and competitive before the pandemic. The WSF complements the special programmes of KfW. The WSF includes the following instruments: <ul style="list-style-type: none"> • guarantee framework of €400 billion euros to help companies to refinance themselves on the capital market (bridging liquidity bottlenecks) • credit authorisation for €100 billion to strengthen the capital of companies (recapitalisation) • further credit authorization for €100 billion to refinancing of the KfW special programmes To finance these measures, the Federal Government will raise additional funds on the capital market as required.	€600 billion
	Addressed are companies which are at least meet two of the three following criteria: (i) a balance sheet total of more than €43 million, (ii) more than €50 million in sales revenues and (iii) more than 249 employees on an annual average. The participation of smaller companies can also be examined in individual cases in case such companies are important for critical infrastructure.	
	Small Enterprises, self-employed persons, and independent professions (freie Berufe): <i>(programme still requires approval of the German Parliament, which is expected soon)</i> Special support measures are available for small enterprises in all sectors of the economy, self-employed persons, and members of the independent professions (<i>freie Berufe</i>) who have run into difficulties as a result of the COVID-19 crisis. To ensure their liquidity, they receive a one-off payment for three months - depending on the size of the company - of up to €9,000 (up to five employees / full-time equivalents) or up to €15,000 (up to 10 employees / full-time equivalents). As far as the personal livelihood of each individual concerned is concerned, the Federal Government additionally facilitates access to basic social security for solo self-employed persons.	€60 billion

PUBLIC FINANCE SUPPORT ENACTED (AS OF 25 March 2020)

Member States	Measure	Budget
IRELAND	<p>Measures to support Irish businesses are a combination of those already available prior to the COVID-19 crisis and certain new measures. See in particular:</p> <ul style="list-style-type: none">• A €200m Package for Enterprise Supports including a Rescue and Restructuring Scheme - available through Enterprise Ireland for viable but vulnerable firms that need to restructure or transform their businesses. The details of these supports are being finalized.• A €200m Strategic Banking Corporation of Ireland (SBCI) Working Capital Scheme - for eligible businesses impacted by COVID-19.• A Be Prepared Grant designed for Enterprise Ireland clients who would benefit from further research and external expertise in examining their exposure to COVID-19 and exploring ways of addressing this.	

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PUBLIC FINANCE SUPPORT ENACTED (AS OF 25 March 2020)

Member States	Measure	Budget
ITALY 17 March - emergency decree worth €25 billion (US\$28 billion)	Support to the Italian health system, including: <ul style="list-style-type: none"> Increased financing for overtime work of healthcare workers New recruitments for the Ministry of Health Increased financing for additional healthcare services and hospital beds Equipment of temporary sanitary facilities inside and outside of public and private healthcare institutes Public financing to companies producing medical and personal protective equipment. This aid scheme was submitted to EC for State aid approval and approved by the EC on March 22, 2020 under the Temporary Framework. 	€250 million €5 million €240 million €50 million €50 million
	Employment support for workers and enterprises, including: <ul style="list-style-type: none"> Ordinary and extraordinary unemployment benefit funds for companies with a suspended or reduced work activity due to the measures connected to the epidemiological emergency One-off tax-free contribution of €600 (only for March 2020) to freelance workers, seasonal workers, farm workers, and entertainment workers, upon request Financial contribution to enterprises to purchase personal protective equipment for workers Establishment of a special fund to provide income support 	€3.7 billion €753 million €50 million €300 million
	Strengthening of the public guarantee fund for SMEs	€1.5 billion
	Extension to self-employed and freelance workers (who recorded a decrease of more than 33% in their turnover as a result of the closure or restriction of their activity in connection with the implementation of the provisions adopted by the competent authorities due to the epidemiological emergency) of the access to the National Solidarity Fund to support home mortgages for the purchase of the primary residential property, for a period of nine months.	€400 million
	Encouraging the sale of impaired loans with the aim of supporting companies in terms of liquidity through the possibility of transforming into a tax credit a portion of deferred tax assets (DTA) relating to certain components, for an amount proportional to the value of the impaired receivables that are transferred to third parties.	---
	Social security and welfare measures, including suspension of the contributions for enterprises due to the National Social Security Institute (INPS) and the National Disability Insurance Institute (INAIL), until June 2020.	---
	Fiscal measures, including: <ul style="list-style-type: none"> Suspension of tax contributions for taxpayers with tax domicile, operating and/or registered office in Italy, until May 31, 2020 Suspension of tax contributions for companies with a turnover of less than €2 million with tax domicile, operating and/or registered office in Italy, until May 31, 2020 Suspension of tax collection files, and tax controls, until May 31, 2020 	---
	Support to a wide range of economic sectors, including: <ul style="list-style-type: none"> For micro and SMEs only: <ul style="list-style-type: none"> Prohibitions to revoke, in whole or in part, overdraft facilities and loans granted against advances on credits existing as of February 29, 2020, until September 30, 2020 Extension of loans to be repaid bullet before September 30, 2020 together with the relevant ancillary items, without any formalities and under the same conditions, until September 30, 2020 Suspension of the payment of loan instalments and rental payments on financial leases due before September 30, 2020, until 30 September 2020 and extension of the relevant amortization or rental payments plans. At the request of SMEs, the suspension could be granted on the principal portion only. The transactions subject to such financial supporting measures shall be eligible for the guarantee (up to 33%) of a special section of public guarantee fund for SMEs. For larger companies, Cassa Depositi e Prestiti guarantee to banks (covering up to 80% of the banks' exposures) to fund companies affected by the coronavirus emergency For the aviation sector, compensation for the damage suffered For Alitalia, the establishment of a new company fully controlled by the Ministry of Economy and Finance or controlled by a company with a prevalent public participation also indirect. The Ministry of the Economy and Finance is authorized to hold an interest in the share capital of the new company or to strengthen the new company's share capital, also through subsequent capital increases. 	€1.7 billion €500 million ---

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PUBLIC FINANCE SUPPORT ENACTED (AS OF 25 March 2020)

Member States	Measure	Budget
NETHERLANDS	<p>Extension of guarantee scheme.</p> <ul style="list-style-type: none"> • Scope: new credit lines to medium sized and large companies. • State guarantees 50% of credit line. • Total budget increased from €400 million to €1.5 billion. • Maximum guaranteed amount per company increased from €50 million to €150 million (minimum: €1.5 million). <p>Note that there are several conditions to qualify (e.g., having substantial activities in the Netherlands, the business being overall healthy, not using the guaranteed credit to refinance existing credit lines, etc.) and undertakings active in certain sectors are excluded (e.g., agriculture, real estate, financial, etc.).</p> <p>Compensation of wage costs for undertakings expecting a loss of turnover. Wage subsidy for undertakings expecting a loss of turnover of at least 20% (effective from 1 March 2020 onwards), amount of the subsidy will depend on the expected turnover loss, the following examples are provided:</p> <ul style="list-style-type: none"> • Loss of turnover 100%: subsidy of 90%; • Loss of turnover 50%: subsidy of 45%; and • Loss of turnover 25%: subsidy of 22.5%. <p>The compensation will initially cover a period of three months, with a possibility to prolong the period for another three months. It is not yet clear whether the subsidy will be limited to the maximum daily wage. In addition, an advance payment of 80% can be granted subject to the declaration that no employees will be dismissed for economic reasons during the subsidy period.</p> <p>Interest on microcredits for SMEs reduced to 2% for six months. In addition, SMEs will receive a deferral of payment of 6 months.</p> <p>Temporary guarantee for the working capital of agricultural and horticultural undertakings.</p> <p>Postponement of payment of corporate income, personal income, wage, and value added tax and excise duties. Required to submit a substantiated request verified by a third party. In addition, provisional calculation for 2020 taxes will be revised and recovery interests will be reduced.</p> <p>Deferral of energy tax and renewable energy surcharge. For entities of which the use exceeds 10,000 kWh in electricity or 5,000 m³ in natural gas on a yearly basis.</p> <p>Extension of lower unemployment insurance contribution regime.</p> <p>Measures being negotiated:</p> <ul style="list-style-type: none"> • Damage coverage – in contact with EC. 	

PUBLIC FINANCE SUPPORT ENACTED (AS OF 25 March 2020)

Member States	Measure	Budget
SPAIN Royal Decree-Law 6/2020 on urgent economic measures and measures for the protection of public health	Social measures <ul style="list-style-type: none"> • Evictions as a result of judicial foreclosure (<i>ejecución hipotecaria</i>) are suspended until 2024 in cases where the evicted person (or family) is in a situation of special vulnerability as defined by Law 1/2013. Banking measures <ul style="list-style-type: none"> • The type of entities that can be granted an authorization to become banks is extended in order to cover credit unions, financial credit institutions, securities firms, payment institutions and electronic money institutions if they fulfil the conditions set forth in the Royal Decree 84/2015. Health measures <ul style="list-style-type: none"> • In the event of difficulties in the supply chain of a product that is needed for public health protection, the State can order the centralized supply of such products and condition its prescription to identified groups at risk, among other things. Labor measures <ul style="list-style-type: none"> • Employees and self-employed workers in quarantine period or infected by COVID-19 qualify for temporary disability due to accident at work. 	
	Royal Decree-Law 6/2020 on urgent measures to strengthen the Spanish Health System, support families and companies directly affected by COVID-19. <p>Liquidity and cost reduction measures for SMEs and Self-employed workers</p> <ul style="list-style-type: none"> • Tax deferral with no guarantee – may be deferred up to six months for companies whose turnover in 2019 did not exceed €6,010,121.04. They can benefit from the automatic six months deferral (with the accrual of interest for late payment as from the third month) of tax debts payments of less than €30,000 (without the need to file any type of guarantee or security) • Deferral of the payment of loans borrowed by SMES from the <i>Secretaría General de Industria y de la Pequeña y Mediana Empresa</i> when as a consequence of the crisis generated by COVID19 it is difficult or impossible for them to pay. <p>Spanish Health System</p> <ul style="list-style-type: none"> • Injection of liquidity to face the extraordinary expenditure generated in the National Health System by the emergency related to COVID-19. • The Government may regulate the mechanism for fixing the prices of medicines and health products not subject to medical prescription and other products necessary for the protection of the citizens' health dispensed in Spanish territory, following an objective and transparent regime. <p>Families</p> <ul style="list-style-type: none"> • Allocation of resources to social services that distribute food to children that have a dining room scholarship (<i>beca comedor</i>). <p>Tourism</p> <ul style="list-style-type: none"> • Extend an existing funding line (created by the Royal Decree-Law 12/2019) by: (i) increasing the amount available by €200 million (ii) extending the companies that can request said funding line to all companies present in the touristic sector (for instance transport of passengers, accommodation, restaurants and other companies providing food, travel agencies, car rental, museums, performance venues, etc.) <p>Labor measures</p> <ul style="list-style-type: none"> • Civil Servants in quarantine due to COVID-19 qualify for temporary disability subsidy. • Companies operating in tourism, commercial and leisure sectors that keep their fixed seasonal workforce and continue to operate during March, April, May and June 2020 are granted a 50% reduction of its Social Security contributions for their employees. 	<p>€1.000 million</p> <p>€25 million</p> <p>€200 million</p>

PUBLIC FINANCE SUPPORT ENACTED (AS OF 25 March 2020)

Member States	Measure	Budget
SPAIN	<p>Labour measures</p> <p><u>Employers</u></p> <ul style="list-style-type: none"> Collective suspension of employment can be justified under “force majeure” or under COVID-19-related reasons. In cases of suspension for force majeure companies with less than 50 workers are exempted of paying Social Security contributions (employer quota only). Companies with more than 50 workers have a 75% discount on the employer quotas. As in other collective suspension of work, employers will not need to pay salaries. Employment guarantee: all extraordinary employment measures carried out by companies in application of the measures approved by the Royal Decree are conditioned to the companies keeping employment within the six months following the restart of business activity. <p><u>Employees and self-employed workers</u></p> <ul style="list-style-type: none"> Telework is the preferred alternative when possible. Employees may request an alteration of working hours (including changes in shifts) or the reduction of working hours (up to 100%) to take care of a spouse or partner, or dependent family members for COVID-19-related reasons. Self-employed workers are entitled to a subsidy equal to 70% of his/her regulatory base (<i>base reguladora</i>) whenever their income has been reduced by at least 75%. This subsidy will be in place until the state of alarm is not in force anymore. Employees affected by the suspension/reduction measures in place because of COVID-19 will be granted an allowance irrespective of whether they personally fulfil or not the requirements set by law. In addition, the employment allowance paid during this period will not compute for future situations in which the employee may request another unemployment allowance. <p>Tax measures</p> <ul style="list-style-type: none"> Suspension until 30 April of the deadline for tax debt payments assessed by the tax authorities, (deferred or suspended tax debts and tax debts within the enforcement period) (<i>periodo ejecutivo</i>). General delay until 30 April in the deadline of tax administrative procedures. Extension until 20 May of the deadline for payment obligations or fulfilment of tax formalities for tax debts assessed or tax procedures initiated after the date of the Royal Decree's approval (save in cases where the legal deadline goes beyond such date). Suspension of the statutory limitation periods for the exercise of rights and the imposition of obligations during the application of the relevant delays (18 March - 20 April 2020). No measures regarding the deferral or suspension of payment of self-assessed taxes. <p>Additional liquidity measures</p> <ul style="list-style-type: none"> The Ministry of Economy and Digital Transformation will provide guarantees, for a maximum amount of €100 billion, to financing granted by credit institutions, electronic money institutions and payment institutions to companies and self-employed persons to meet their rising obligations, among others, from the management of invoices, working capital requirements, expiration dates of financial or tax obligations or any other cash needs. The Official Credit Institute (ICO) borrowing limit is extended by €10 billion to increase the ICO credit facilities to finance companies and self-employed persons. New insurance coverage of up to €2 billion from the Internationalization Risks Reserve Fund (<i>Fondo de Reserva de los Riesgos de la Internacionalización</i>) for a period of six months from the entry into force of the Royal Decree-Law. This new insurance policy will cover working capital credit facilities that are necessary for exporting companies, provided that they are related to new financing needs and not to situations prior to the current crisis. The beneficiaries of this coverages will be (i) Spanish companies considered as small and medium-sized enterprises as defined in Annex I of Commission Regulation EU 651/2014, and (ii) other larger companies, provided that they are not-listed entities, that comply with the requirements set out the new Royal Decree-Law. 	<p>€100 billion</p> <p>€10 billion</p> <p>€2 billion</p>

PUBLIC FINANCE SUPPORT ENACTED (AS OF 25 March 2020)

Member States	Measure	Budget
UK 20.03.2020 Measures	<p>Deferral of the next quarter of VAT payments for all businesses until mid-June (businesses will have until the end of the financial year to repay those bills).</p> <p>Government grants to pay wages</p> <ul style="list-style-type: none"> • Government grants will cover 80% of the salary of retained workers, up to a total of £2,500 a month. • The scheme, open to any employer in the country, will cover the cost of wages backdated to 1 March and will be open before the end of April for at least three months. • Guidance issued on these measures indicates that: <ul style="list-style-type: none"> ○ The government will only cover (up to the applicable already announced 80%/£2,500 per month cap) the wages of any employee who has been designated specifically as a “furloughed worker”. This is classified as any employee who does not carry out any work activities as a result of the coronavirus situation. The guidance states that any relevant employee “should not undertake work” for their employer while they are furloughed. This would mean that you could not reclaim salary costs for any employee who is put onto reduced working (as opposed to an employee who ceases working completely). ○ An employer will not need to fund salary for any furloughed employee above the government met cap. In other words, the only salary which a furloughed employee is entitled to receive when furloughed is what the government meets the cost of (not any higher contractual amount). 	
UK Other post-17.03.2020 measures	<p>COVID-19 Corporate Financing Facility</p> <ul style="list-style-type: none"> • Under the new COVID-19 Corporate Financing Facility, the Bank of England will buy short term debt from larger companies. • All UK businesses are eligible. • This will support companies that have been affected by a short-term funding squeeze, and allow them to finance short-term liabilities. • The Bank of England will also support corporate finance markets overall and ease the supply of credit to all firms. <p>Information on how to access the scheme is available on the Bank of England website: https://www.bankofengland.co.uk/news/2020/march/the-covid-corporate-financing-facility.</p>	
UK Measures announced on 17.03.2020 (as updated subsequently)	<p>The UK Chancellor announced the measures set out below in a statement on 17 March. He also indicated that there will be special help for airlines. This section will be updated to provide further detail as to the precise nature and scope of these measures as it becomes available.</p> <ul style="list-style-type: none"> • £330 billion worth of guarantees to be made available by the UK government. Any business needing access to cash will be able to access a government-backed loan on “attractive terms”. For large firms this will be offered via the Bank of England, while smaller firms can seek business interruption loans (see below). If demand is greater than the initial £330 billion, the Chancellor has indicated that he will make more capacity available. • Extension of the Business Interruption Loan Scheme to cover loans up to £5 million with no interest due for the first 12 months (see section below on 2020 Budget measures). This scheme is now open for applications. Information on how to access it and eligibility criteria is available on the UK Government’s website: https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses. • For businesses in the retail, hospitality, and leisure sectors: <ul style="list-style-type: none"> ○ An additional cash grant of up to £25,000 per business for those with a rateable value of less than £51,000 ○ Extension of the business rates holiday to all businesses in those sectors irrespective of rateable value • Increase in the level of the one-off grant available to around 700,000 business currently eligible for SBRR or Rural Rate Relief, to help meet their ongoing business costs. The grant available will be increased from £3,000 (as per the 2020 Budget) to £10,000. • Mortgage lenders to offer a three month mortgage holiday to those in difficulty due to COVID-19. 	

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Member States	Measure	Budget
UK 3 March - Package of temporary measures inserted in the 2020 Budget (as updated subsequently)	<p>Legislation to be brought forward to allow SMEs and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19.</p> <p>Eligibility criteria:</p> <ul style="list-style-type: none"> Up to 2 weeks' SSP per eligible employee off work and claiming SSP because of COVID-19 Only UK based companies with fewer than 250 employees as of 28 February 2020 Employers should maintain records of staff absences, but employees will not need to provide a GP fit note <p>The eligible period for the scheme will commence the day after the regulations on the extension of SSP to those staying at home comes into force.</p>	
	<p>Increase of the Business Rates retail discount to 100% for one year and its expansion to the leisure and hospitality sectors, and increase to the planned rates discount for pubs to £5,000. Taken together with existing small business rate relief (SBRR) (which provides full relief for businesses using a single property with a rateable value of £12,000 or less), an estimated 900,000 properties, or 45% of all properties in England, will receive 100% business rates relief in 2020 to 2021:</p> <ul style="list-style-type: none"> Businesses that received the retail discount in 2019-20 will be rebilled by their local authority as soon as possible. Those businesses eligible for the newly expanded retail discount and/or the new pubs discount may need to apply to their local authority to receive the discount. Any enquiries on eligibility for, or provision of, the reliefs should be directed to the relevant local authority. Guidance for local authorities on the application of the expanded retail discount will be published by MHCLG by 20 March, 2020. <p>Note, however, that the Business Rates retail discount received must be in line with the De Minimis Regulations under EU State aid rules, <i>i.e.</i>, an undertaking cannot receive more than €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years).</p>	
	<p>Local authorities can support small businesses that already pay little or no Business Rates because of SBRR. This will provide a one-off grant of £10,000 to around 700,000 business currently eligible for SBRR or Rural Rate Relief, to help meet their ongoing business costs. For a property with a rateable value of £12,000, this is one quarter of their rateable value, or comparable to three months of rent.</p> <p>Note that this measure was updated by the Chancellor on 17 March 2020 to increase the available grant from £3,000 to £10,000.</p>	£2.2 billion
	<p>A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will launch in the coming weeks to support businesses to access bank lending and overdrafts. The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The government will not charge businesses or banks for this guarantee, and the Scheme will support loans of up to £5 million in value with no interest due for the first twelve months. This new guarantee will initially support up to £1 billion of lending on top of current support offered through the British Business Bank.</p> <p>Note that this measure was updated by the Chancellor on 17 March 2020 to raise the level of loan covered from £1.2 million to £5 million with no interest due for the first six months, and updated again on 20 March 2020 to extend the period for which no interest is due to 12 months.</p>	
Other UK support	<p>All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.</p> <p>Eligible businesses are those that both:</p> <ul style="list-style-type: none"> Pay tax to the UK Government Have outstanding tax liabilities <p>HMRC have a dedicated helpline at 0800 0159 559.</p>	

Contact

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