

PROTECTION OF SMEs AND SELF-EMPLOYERS IN TIMES OF COVID-19

As **COVID-19** has spread around the globe, **SMEs and self-employed workers** seem to be the most vulnerable to the economic effects that it's causing at a global level of society. As the number of SMEs in Europe goes up to 25,000 representing 2/3 of the jobs, it is of extreme importance for the economy to reduce as much as possible the **economic impact** COVID-19 may have in this group. This is why, among the measures governments worldwide have implemented in the framework of these crisis, many of them have concretely focused on these two groups, implementing **fiscal and monetary measures**.

The **general practice** among countries has been to defer the tax payment, increase the flexibility when granting loans, as well as to giving special grants to the most affected groups. This has been possible thanks to the extraordinary unprecedented measures taken by the **European Commission**, such as the adoption of a Temporary Framework to enable Member States to use the full flexibility foreseen under State aid rules to support the economy during the outbreak and the amendment of the Short-term export-credit insurance Communication so as to allow companies to obtain short-term export-credit insurance from public insurers.

Also, the ECB (European Central Bank) has adopted a package of monetary policy measures, such as additional longer-term refinancing operations (LTROs), more favorable terms in already existing LTROs, and the addition of a temporary envelope of additional net set purchases, among others.

The present document will gather the measures taken by each state member of the **Fédération des Experts Comptables Méditerranéens** (FCM) to protect SMEs and self-employed workers **as of April 16th 2020**.

ALBANIA

Due to its proximity with Italy, the first and most affected European country, as soon as the first case was detected in Albania, its government adopted different containment and mitigation measures, declaring on March 24th the state of natural catastrophe.

In general terms, the government amended the 2020 budget stating that 1.4 % of the GDP destined to funding and support the measures that are detailed below.

Taxes

- **Deferral of profit tax installments for SMEs**
- **Postponement of deadline for the presentation of financial statements of 2019**

Legal entities and other taxpayers registered for Corporate Income Tax (CIT) purposes would be entitled to submit the Annual Financial Statements of 2019 by 31 July 2020.

- **Deferral of settlement of the annual CIT liability for 2019**

CIT registered taxpayers having an annual turnover of less than ALL 14 million can do the settlement of the annual CIT liability within the second half of 2020. Exceeding that annual turnover, the settlement of the annual CIT liability for 2019 will have to be done by 31 March.

- **Deferral in 2020 CIT advance payments**

The CIT advance payments for 2020 for registered taxpayers having an annual turnover of less than ALL 14 million should be paid no later than 31 December 2020.

- **Deferral of tax payments**

Grants

- **Minimum salaries to small businesses and self-employed workers**

Small businesses and self-employed that are forced to close activities due to the COVID-19 pandemic will receive minimum salaries (up to two in the case of family businesses with unpaid family members), doubling the unemployment benefits and social assistance layouts.

Loans

- **Reduce of the polity rate**

The Supervisory Council of the Bank of Albania decided on March 25th to reduce the policy rate from 1% to 0.5%.

- **Access for companies to overdrafts in the banking system to pay wages with low interest rate**

A sovereign guarantee fund enables companies to access overdrafts in the banking system to pay wages for their employees for up to 3 months with an interest rate of up to 2.85% for the period of 2 years.

Starting in April, cabinet ministers and lawmakers will receive half of their salaries for the next three months with the savings going to the Anti-Covid 19 social support fund.

- **Reschedule of loan instalments that entered into force on 13 march and last until 31 may**

Borrowers, individuals and businesses whose financial situation has deteriorated due to the outbreak, may benefit from a delay of up to 9 months in the payment of their loans. The reschedule is subject to its request.

- **Postponement of the repayment term of the loan instalments to the business entities and individuals until may 31st**

This measure is applicable to all borrowers that have experienced difficulties during the outbreak as a result of COVID-19, but is subject to request to the lending institution, who shall report on it within 3 days after the receipt of request.

- **Temporal waive of commissions for transfers in local currency**

BULGARIA

Bulgaria is one of the western Europe countries with the lowest number of COVID-19 cases. The State of emergency was adopted by the National Assembly, and different measures have been adopted, such as the capital increase of the state-owned Bulgarian Development Bank by its 0.6% of 2019 GDP, which will be destined for the issuance of portfolio guarantees to

commercial banks for the extension of corporate loans and to provide interest-free loans to certain groups.

Taxes

- **For Corporate Income Tax (CITA) and Personal Income Tax Act (PITA):**

The deadline has been extended until 30 June 2020 for:

- Filling annual tax returns
- Payment of taxes

Also, the usage of 5% discount when filling the annual tax return under PITA and the term for additional payment of the due tax has also been extended until 31 May 2020.

- **For companies to fill their financial statements and annual reports:**

The deadline has been extended to 30 September 2020. These can be signed by means of electronic signatures.

- **Advance instalments for corporate income tax**

- **No enforcement proceedings shall be initiated under the TSSPC**

Tax and Social Security Procedure Code unless such initiation is necessary for the protection of important state or public interest.

Grants

- **Subsidy of 60% of the employees' salaries and social security contributions of businesses critically affected**

The coverage of the salaries and social security contributions due by employers is only applicable for employees of affected sectors that without the subsidy they would have had to lay off.

- **Possibility for managing authorities of EU funds to unilaterally modify grant contracts**

This may be done to reduce or increase the amount of agreed funds.

Loans

- **Non-application of effects of late performance of obligations of individuals and private entities:**

This includes monetary consequences, such as interest and penalties for late payment, as well as non-monetary consequences, such as early repayment, contract termination and seizure of property.

- **Interest free loans to employees on unpaid leave**
- **Moratorium on bank loan payments**

Others

- **No distrains shall be imposed on bank accounts of individuals and medical centers, pensions and salaries.**
- **Possibility for registered unemployed to sign labor contracts with agriculture producers**

In the framework of the outbreak, these persons will not lose their unemployment benefits.

CYPRUS

Taxes

- **Deferral of VAT payment**

The deferral will be of two months.

- **Temporal exemption in the payment of the increase contribution to the general healthcare system**

Employers and employees will not be liable to pay during three months the increased contributions to the GHS that have just come into force.

Grants

- **Special leave grant**

Parents working in the private sector who remain home for child care of children of up to 15 years old can receive a grant of up to €2,500 during the period of up to 4 weeks. 60% of the salary will be paid for the first €1,000 of the parent's salary, and a 40% allowance will be paid for the next € 1,000 of the salary. In case of single parent families, the rate of payment of the allowance is set at 70% and 50%, respectively. The latter applies also for those with health issues.

- **Subsidy of 70% of employees' salaries**

Small businesses that employ up to 5 people, provided that they retain their employees at work and their turnover has been reduced by more than 25%, can be eligible to the business support plan, which provides a subsidy of 70% of employee salaries.

Loans

- **Simplification of approval processes for loan restructuring**
- **Simplification of documentation requirements for new short-term loans and other credit facilities**

FRANCE

Government debt

As one of the first and most affected EU countries in the COVID-19 outbreak, the French government has implemented different measures, such as dedicated more than 4% of GDP to addressing the crisis

Taxes

- **Accelerated refund of tax credits**

This measure applies to CIT and VAT.

- **Deferral of social security and tax payments for companies**

- **Postponement of payment of the next installments of direct taxes:**

This will be automatic and will lead to no penalty for companies. It allows the deferral of direct taxes for a period of three months. The postponement does not apply to the return filling deadlines. It does not apply either to vat tax, assimilated taxes or withholdings of employees' individual income taxes by employers.

- **No new tax audits or procedural actions will be started during lockdown.**

Grants

- **Direct financial support for affected microenterprises, liberal professions, and independent workers**

- **Subsidy of part of salary lost due to the short-time working scheme**

Workers who have seen their hour scheme reduced will receive support for their wages.

- **Facilitating granting of exceptional bonuses exempt from social security contributions**

- **Sick leave payments for child care**

- **Extension of expiring unemployment benefits**

These will be extended until the end of the lockdown.

Loans

- **Credit guarantees**

Others

- **Postponement of rent and utility payments for affected microenterprises and SMEs**

GREECE

Government account + EU Corona investment fund

The Greek Government has applied a national lockdown that restricts all but economic activity

Taxes

- **Postponement of the sales list filling for 2019 to June 30.**
- **Postponement of VAT payments**
 - For businesses affected by COVID-19 until August 31.
 - For those due at the end of March, its payment will be postponed for four months.
- **Reduction of VAT for goods related to addressing the outbreak**

The reduction has been from 24 to 6%. It is applicable for products related to preventing the spread of COVID-19.

- **Suspension of Social Security contributions until June 30.**

Grants

- **€ 800 Subsidy for employees and self-employed professionals**

Eligible employees are those who have been or will be suspended from their employment contracts until April 30 by businesses affected by the outbreak.

Eligible employees are also those who were laid off or were forced to quit between March 1-17.

- **Extension of unemployment benefit for two months**
- **The Annual Easter Bonus remained in full**

Employers have been given the right to pay the Easter bonus by summer without penalties.

- **Cash bonus to health workers**

Loans

- **Subsidized loans**
- **Interest payment subsidies**
- **Suspension in payments on performing loans offered by Banks and loan managers to individual borrowers affected by the outbreak.**
- **Three month suspension of debt payments for employees and self-employed receiving the €800 subsidy**

ITALY

Government debt

Italy is the most affected EU country by COVID-19, having been the first EU country to have cases, and to date the country with the highest number of cases, and the government decided to close all non-essential productive activities. Among other measures, the government has adopted the “Curia Italia” emergency package, with an amount of liquidity equivalent to the 1.4% of the country’s GDP, destined to strengthen the Italian health care system and civil protection, to preserve jobs and support income laid-off workers and self-employed, to support businesses and credit supply. During the month of April the Liquidity Decree was adopted, which allowed additional state guarantees, and which is aimed to unlock close to 50% of the GDP to support businesses and households.

Taxes

- **DTA transformation deriving from unpaid credits:** in the aim of promoting the sale of non-performing loans (NPL), it is possible to transform a portion of DTA (deferred tax assets) relating to tax losses and allowance for corporate equity (ace) into a tax credit for an amount proportional to the value of the non-performing loans that are sold to third parties.
- **Tax deferral business of the tourist, hospitality and leisure sector** whose legal or operative seat is based in Italy. The deferral will cover the tax applied on employees income, vat, social contribution and employer’s security due from march 2 to April 30. This measure is applied also concerning certain tax payments for business from other sectors with a turnover less than €2 M.
- **Deferral of tax compliance for all employers:** all tax compliance fulfillments (other than tax payments) expiring from march 8 to May 31, 2020 are postponed to be made within June 30, 2020 with no penalties.
- **Suspension of executive payment:**
 - Certain tax payments such as executive tax payments notices, social contribution executive payment requests, executive assessment acts issued by the local offices or by the custom duties office due between march 8 and march 31 are postponed to June 30, 2020.
 - Certain settlement payments, expiring on February 28 (“rottamazione-ter”) and march 31 (“saldo e stralcio”) are due by may 31, 2020.
 - In the case of executive notices of assessment, these must be settled in a single payment by June 30, 2020.

Grants

- **Allowance for self-employed workers**

The allowance for March is of € 600.

- **Employee bonus**

A bonus of EUR100 is granted to employees with an income of below EUR40,000 in the previous year. The bonus is proportional to the number of days worked at their place of work in March 2020. This bonus is not taxed and will be paid directly by the employer.

- **Tax credit for shops and stores:**

A tax credit that is equivalent to the 60% of the rent due for the month of March 2020 of shops and stores that were forced to close as a result of the lock-down. In order to enjoy it, they shall introduce the tax code (6914) in their tax payment form. Businesses whose activities have been identified as essential cannot enjoy the aid.

- **Tax credit for the 50% of costs of sanitizing products:**

The credit is up to a maximum of €20.000.

- **Incentive in export**

When exporters seek to penetrate a new foreign market, up to 50% of the related costs will be paid by the state under a non-repayable co-financing arrangement, within the limits imposed by EU regulations on small state aid.

Loans

- **Loans of up to € 5 M per enterprise**

Business will have access to these loans for 9 months after the entry into force of the Italian Decree. The loan will be used to make investments and restructure debts.

- **Special financial protection measures for SMEs**

Certain types of financing cannot be revoked but can be extended; repayments of loans can be extended or suspended; the Central Guarantee Fund will partially guarantee certain types of financing.

- **Moratorium for SMEs and personal mortgage repayments**

Others

- **Rules relating to the conduct of company meetings and deferral of approval of the financial statements:**
 - All companies to convene the general assembly can approve the financial statements within 180 days of the end of the financial year.
 - Votes can be expressed electronically or by correspondence, and attending at the meeting can be done by telecommunication. Limited liability companies may also express vote by written consultation or by express written consent.
- **Three month ban on shorting of shares**

KOSOVO

The republic of Kosovo's government declared a public health as of march 15, having started to take preventive measures before having any covid-19 cases. Since up to 80% of the businesses in the country fall into the category of SMEs, the Kosovo government has announced an emerging fiscal stimulus to lessen the risk of a surge in insolvencies though the covid-19 outbreak.

Taxes

- **Three month deferment for installment payments for property tax.**
- **Two month postponement of submission of financial statements, auditor's report and review reports:**

the new deadline has been set on June 30.

- **One month postponement for filling and paying taxes, as well as for tax refund requests.**
- **Temporary vat payment exemption on imports of grain, wheat and flour for the production of bread and bread products.**

An exemption will also apply for economic operators and their contractors that import or produce the mentioned in the custom tax payment.

Grants

- **Two monthly salaries**

These are given to entities that have seen a diminution in their operations as a consequence of the measures taken by the government or have been forced to keep their employees at home. The amount of the monthly salary is of €170. The amount of the monthly salary is of €170 to up to a maximum €41 m.

- **Two month 50% rent subsidy.**

The government will subsidize 50% of SMEs' rents during two months spending up to €12 m.

- **Support for exporters**

The government will benefit exporters that increase their export volume. The amount destined has been €10 m.

- **Three monthly assistance**

The assistance will be of up to €130 a month is given to employees who lost their job during the outbreak. The maximum amount allocated to this measure is €4 million.

- **Increase in the budget for grants and subsidies to the ministry of agriculture of €5 m.**

- **€10 m will be provided in support of exporters.**

Loans

- **Interest-free government loan**

Public entities that have financial difficulties due to the public health emergency situation, are entitled to interest-free lending from the government. The government will allocate eur 20 million, and the allocated funds carry zero annual interest rate.

- **Kosovo special guarantee fund**

Micro-entities and the self-employers are eligible for these loans for a maximum period of 24 months, and a maximum of €10,000. €15 million have been allocated for this measure.

- **Suspension of payment of loan instalments:**

Individuals or businesses who due to the financial difficulties they are facing due to a decrease in their personal or business income and are not able to repay the loan may ask the lender to postpone the loan repayment deadline until april 30th, 2020. In cases of suspension, the central bank of Kosovo has undertaken the necessary legal measures to prevent these loans to be classified as non-performing loans in the credit registry. Penalty rates shall not apply during this period.

MOROCCO

The government of Morocco has created a special fund dedicated to the epidemic that is equivalent to 2.7% of the country's GDP, and by means of the Decree-law adopted on April 6, the government can increase external borrowing beyond the ceiling that was approved in the 2020 Budget Act. Also, the Capital Market Authority revised downwards the maximum variation thresholds applicable to financial instruments listed in the Casablanca Stock Exchange; and the authorities broadened the dirham's fluctuation band from 2.5% to 5%, and purchased all available resources under the Precautionary and Liquidity Line (PLL) arrangement.

Taxes

- **Deferral of social contributions for businesses**

This measure applies to all businesses, and the deferral extends up to June 30.

- **Deferral of tax payments for certain businesses**

Businesses that are eligible for the deferral are those with an annual turnover lower than 20 M dirhams.

- **Deferral of personal income tax filling**

The deferral will be from end-April to end-June 2020.

- **Tax exemption for employees in the formal sector**

The limit of the exemption is of 50% of the average monthly net salary.

Grants

- **Mobile payment for household's with a non-contributory health insurance**

Household's that benefit from the non-contributory health insurance (RAMED) receive a payment of 800 to 1200 dirhams in the month of April. Also, other households which do not benefit from RAMED will be able to claim economic support.

Loans

- **Possibility for recent unemployed to put off debt payments**

The payments of the debts may be done until June 30.

- **Diminution of policy rate to 2%**

The central bank reduced the policy by 25 basic points to 2%.

- **Suspension of loan payments for SMEs and self-employed**

The suspension will be effective until June 30.

- **Expansion of the range of collateral accepted for repos and credit guarantees to include public and private debt instruments**

- **Increase of the Central Bank's refinancing operations**

This measure has been established in order to support banking credit to SMEs

- **Government guarantee of short-term loans to SMEs**

The Government will guarantee, through the Central Guarantee Fund, 95% of the bank's new short-term loans given to SME's.

Others

- **Acceleration of government payment to its suppliers**

The Government has decided to accelerate the payments to its suppliers so as to support its businesses.

PORTUGAL

Government debt

The Government of Portugal has destined 0.5% of the country's GDP per month in financial support for those employees that have been temporarily laid off. Also, the equivalent to 1.9% GDP has been destined to state-guaranteed credit lines for SMEs in affected sectors, and the equivalent to 3.2% of GDP for tax and social security contribution deferrals for businesses and employees.

Taxes

- **Deferral of tax payments and tax returns**
- **Postponement in the payment of social security contributions**
- **Suspension of social security contributions for businesses affected by the outbreak**

Grants

Loans

- **Moratorium on bank loan repayments for families and companies affected**

The moratorium will be of six months.

- **Credit lines**

For affected businesses

- **Flexibilization in macroprudential measures for consumer credit**

- **Measures for less significant banks under the supervision of the Banco de Portugal**

- Possibility to operate below selected capital and liquidity requirements
- Extension of deadlines of reporting obligations

Employment

- **Simplification of lay-off regime**

The lay off-regime allows businesses in a special circumstance suspend the employee's contract or reduce the working hours. It is now accessible to companies:

- Whose complete or partial closure was forced by a decision coming from the authorities
- Who have seen a 40% decrease in invoicing compared to the month prior or year before.
- Who have seen their activity stop totally or partially due to an interruption of global supply chains, or the suspension or cancelling of orders

SPAIN

Government debt

The Spanish government, having declared the state of alarm, which has been extended twice, has applied restrictions on movement, maintaining solely that for essential purposes. The main measures that the government has applied destine the equivalent to 1% of the country's GDP to temporary laid off employees under the Temporary Employment Scheme (ERTE) among others. Also, the government loan guarantees has been extended for firms and self-employed, and also for exporters through the Spanish Export Insurance Credit Company.

Taxes

- **Moratorium to social security contributions**

The moratorium will be of 6 months. This is applicable for businesses and self-employers whose activities that have not been suspended during the state of alarm. It is subject to request and will have a reduced interest of 0,5%.

- **Postponement of payment of social security debts**

- **Exemption on social security contributions for businesses**

This measure is applicable for businesses that maintain employment under ERTE. In the case of workers with discontinuous contracts in the tourism sector and related activities, their exemption from the social security contributions will be of 50% from February to June 2020.

- **Six month interest –free suspension of social security contributions for self-employed workers**

This interest-free suspension, which will be of six months, will be for the period of April to June 2020, and is subject to the condition of continued activity in May and June.

- **Postponement of payment of custom declaration debts up to May 30.**

- **Deferral of income, corporate, and VAT tax obligations for SMEs**

There will be no interest to pay by these businesses as a consequence of the deferral in the payment. The deferral will be of 6 months.

Grants

- **Increase in the sick pay**

Employees infected by COVID-19 receive a sick pay, which has been increased from 60 to 70% of the regulatory base, which is paid by the Social Security budget.

- **Allowance for self-employed**

Self-employed workers that have been affected by a suspension in their economic activity will receive an allowance.

- **Temporary subsidy for household employees affected**

They will receive an amount equal to the 70% of their contribution base

- **Temporary allowance for temporary workers whose contract has recently expired**

The allowance will be of EUR 430 for workers whose contract has expired within the state of emergency and that are not entitled to unemployment benefits.

- **Refund of costs of cancelled events that supported internationalization**

- **Rental assistance**

Vulnerable renters who are not large property holders will receive rental assistance.

- **Extension of social benefit to energy provision**

- **National COVID-19 income support scheme**

Loans

- **Postponement of reimbursement**

This is applicable for beneficiaries who have had inactivity periods, a diminution in their sales or supply interruptions as consequence of the sanitary crisis.

- **For loans given by the SG of industry and SMEs** the postponement will be of two and a half years, which may be extended.
 - **Loans given by autonomous communities and local entities:** they may ask for the postponement of the principal or interests to be satisfied in 2020. They may be self-employers or businesses that are not part of the public sector.
- **1 year suspension of payment of interests and redemption of loans for businesses in the tourist sector or are part of the R+D entrepreneurship program**
 - **Three month moratorium on mortgage payments**

This measure applies to self-employed and homeowners who have rented out their mortgage properties.

- **€100 billion has been destined to loan guarantees**
- **Introduction of a special credit line for the tourism sector**

Employment

- **Easier access to ERTES for business affected by covid-19**

An ERTE is a temporary suspension of a contract or a reduction in working hours. Business shall present a commitment to maintenance of employment during the 6 months following the resumption of the activity. There is no requirement to be met of prior minimum contribution.

Others

- **Ban of short-selling Spanish shares in the stock market**

- **Automatic moratorium on rent payments for vulnerable tenants whose landlord is a large public or private housing holder**

This measure will apply during the COVID-19 crisis outbreak.

- **Option to temporally suspend or modify supply electricity and natural gas contracts without penalty for business and self-employers**
- **Suspension of payment of electricity and natural gas bill for suppliers to traders**

Business of this sectors will receive endorsement equivalent to the loss of income and will have tax exemptions.

TUNISIA

The government of Tunisia has approved the TND emergency plan, which is equivalent to 1.8% of the country's GDP. Among the measures that have been applied in Tunisia, the Central Bank of Tunisia (BCT) has reduced its policy rate by 100 basic points, and has created investment funds as well as a state guarantee for nex credits.

Taxes

- **Postponement of CIT payments, other taxes and social contributions**
- **VAT exemptions**
- **VAT refund procedures and reimbursement acceleration**
- **Rescheduling taxes and custom arrears**

This measure seeks to provide liquidity to the private sector, limiting layoffs and protecting the most vulnerable, in particular in the informal sector.

Grants

- **Support for workers on temporary unemployment due to the outbreak**

The aid will be of 300 TND.

Loans

- **Postponement of credit reimbursement**

This measure would apply for 3 to 6 months, depending on the net revenue level.

Others

- **Post**

TURKEY

The Turkish government has approved a package whose value is equivalent to 1.5% of the country's GDP destined to fiscal measures, and to 0.5% of the GDP for the doubling of the credit guarantee fund.

Taxes

- **Deferral of VAT declaration and payment for all taxpayers** from march 26 to April 24, 2020.
- **Application of force majeure provisions for specific taxpayers affected by covid-19**
- **Deferral of VAT tax return filling dates for businesses in hospitality, leisure and sanitary sectors** to July 27, 2020
- **6 month deferral of vat and social security contributions for business from selected sectors**

The selected sectors are the following: Retail trade, iron-steel, automotive, logistics-transportation, cinema-theatre, housing, food beverage, textile-garment and event-organisation services.

- **Waive of the accommodation tax in the tourist sector until January 2021.**
- **Lower of vat rate for domestic flights from 18 to 1% for 3 months**

Grants

- **Craft-and-trade credit card for craftsmen and small traders** under a 25.000 turkish lira limit.
- **Minimum wage support for business regardless of the size**
- **Grant will be provided to firms that locally produce disinfectants, protective clothes, goggles and masks.**

The grant will be up to 930.000 euros.

Loans

- **Working capital loans for all firms preserving the current employment level**

The limit of the loan will be 5,000 turkish lira, with a 36 month maturity, 6 month grace period and subsidized 7,5% interest rate.

- **Stock financing assistance for exporters** during the outbreak.
- **Postponement of interest and debt payments** by public SMEs bank halkbank for 3 months.
- **Increase of limits for SMEs loans** by the credit guarantee fund from 3.8 to 7.7 billion us dollars.
- **No-limit liquidity to banks:** the CBRT will provide banks with as much liquidity as they need through intraday and overnight standing facilities. Banks will also have additional liquidity facilities to secure

uninterrupted credit flow to the corporate sector. The maximum amount of liquidity that a bank can receive through this facility will be linked to the amount of credit that it has already provided or will provide for the corporate sector.

- **Increase of liquidity limits of primary dealers in open market operations (OMOS)**
- **Rediscount credits for exporters and foreign exchange earning services.**

They include

- A 90-day extension of maturities for the repayment of rediscount credits
 - An additional 12 months export commitment fulfilment time for firms having benefitted from these credits
 - An extension of the maximum maturities for rediscount credits from 120 days to 240 days for short-term credits, and to 720 days for longer-term credits.
- **Other measures concerning banks:**
 - The number of days to be passed in the delay period for classifying a loan as non-performing has been increased from 90 days to 180 days.
 - Flexibility has been granted to banks for not classifying a performing forborne loan under probation as non-performing even though additional forbearance measures are applied or it becomes more than 30 days past due.

UNITED KINGDOM

Government debt

Taxes

- **Holiday for business rates for 2020-2021 tax year** for businesses in the retail, hospitality, leisure, and nursery sectors that are based in the UK.
- **Deferring vat and self-assessment payments:**

For all businesses: vat payments will be deferred for three months in the case of business.

For self-employers: income tax payments due in July 2020 under the self-assessment system will be deferred to January 2021.

- **Extension of scope of time to pay service:** time to pay service is a debt repayment plan by HMRC that allows companies to pay back the tax payments they have defaulted to pay over the period of 6 to 12 months. Due to covid-19, now all businesses and self-employed people that are in financial distress and have outstanding tax liabilities are eligible to receive this support.
- **Postponement of off-payroll working rules reform:** these rules, which ensured that two people doing the same work for the same employer are taxed in the same way, will now come into effect on 6 April 2021 instead of 6 April 2020.

Grants

- **A coronavirus job retention scheme:** through this scheme, UK employers can claim for 80% of furloughed employees' usual monthly wage costs, up to £2,500 a month, plus the associated employer national insurance contributions and minimum automatic enrolment employer pension contributions on that wage. The scheme is open to employers that had created and started a paye payroll scheme on 28 February 2020. This measure started on 1 March 2020 and will last for at least 3 months.
- **Support for businesses paying statutory sick pay to their employers:** employees with fewer than 250 employees will be able to reclaim SSP for up to 2 weeks per employee unable to work due to covid-19.
- **Businesses that pay little or no business rates:** an additional small business grant of £10,000 will be given to small businesses based in England that already enjoyed the small business rate relief, rural rate relief and tapered relief.
- **For business in the retail, hospitality and leisure sectors:** they will automatically receive a cash grant of £25,000 in businesses with retail value between £15,000 and £51,000; of £10,000 with a retail value below £15,000.

- **A self-employment income support scheme:** self-employers (including members of partnerships) who have lost income can claim a taxable grant worth 80% of their trading profits up to a maximum of £2,500 per month for the next 3 months, which may be extended if needed.

Loans

- **Coronavirus business interruption loan scheme:** businesses and self-employers based in the UK from certain industrial sectors (related to food production and sanitary services) can access a loan of £1,000 to £5 million for up to 6 years in which the first 12 months of interest payments will be covered by the government. Business eligible for the loan should be in the case of not having sufficient security to meet a lender's normal requirements, and have not received de minimis state aid beyond €200,000 equivalent over the current and previous two fiscal years. In order to encourage lenders to provide finance, the government will provide a 80% guarantee on each loan.
*banks such as Lloyds banking group and NatWest have expressed their disposition to support UK small businesses applying favorable measures in their funding.

Others

- **Protection from eviction** is given to commercial tenants who are unable to pay their rent up until 30 June.
-