



COVID-19: Economic aspects to consider for individuals and organisations. A brief update as at 9 April 2020

The Antivirus scheme was launched this week; other measures are being addressed/started. Today, the state of emergency was extended until 30 April 2020.

Antivirus Scheme

“Antivirus” – a scheme to preserve employment rates – was launched on Monday, 6 April, when submitting applications was made available. Employers can submit online at <https://antivirus.mpsv.cz/>.

The detailed manual for employers is available on the MLSA’s website; further information on the scheme also in English and other three foreign languages) is available at <https://www.mpsv.cz/web/cz/antivirus>

Applications may be made immediately by the employers, even without having completed the pay administration process. Applications will be examined by the Labour Authority and, if everything is fine, they will form the basis for the Authority to include the employer in the Antivirus scheme by concluding an agreement with the employer, sending the electronically signed agreement to the employer via an email service / data box.

Monthly accounts shall be made by employers after processing and paying the wages/salaries for the month in question, i.e., now for March, which shall be made, at the latest, by the end of the following month, i.e. by the end of April in the case of March. Monthly accounts shall be made electronically in prescribed forms, where the employers shall fill in all the necessary information on employees’ wages/salaries for the past month. The accounts report shall be filed electronically by sending the relevant pdf & xlsx file to the Labour Authority, i.e. via a data box / email fitted with a certified electronic signature.

Compensation bonus for the self-employed

The Chamber of Deputies approved a draft act on compensation bonuses for self-employed individuals (“SI”, or, in Czech, “OSVČ”). **Self-employed persons who carry out their business, whether as a full-time or part-time equivalent, may receive their compensation bonuses unless** they simultaneously participate in sickness insurance as employees or receive unemployment benefits. **The bonus is available for the period from 12 March to 30 April 2020, amounting to 500 CZK per calendar day. The maximum amount shall be 25,000 CZK.** The bonus shall cover the period during which the self-employed activity was carried out and such an activity was limited as a result of the need to close an establishment or part of it, as a result of quarantine, taking care of a child, reduced demand or reduced supply of inputs. The application will be possible to submit, along with the respective affidavit, either electronically or in person to the local tax authority.

Credit repayment relief

The act allowing the credit repayment relief was passed by the Chamber of Deputies this week. The relief shall not apply automatically; it must be requested from the bank concerned. Both natural and legal persons are entitled to apply for repayment relief in the case of both consumer and business loans (including mortgage loans); filing the application shall be free of charge. **Repayment relief applies to credits/loans contracted before 26 March 2020, and it is possible to choose 31 July 2020 or 31 October 2020 as an expiry date of the relief period.** For natural persons – citizens, the relief also covers the payment of interest; for entrepreneurs and legal persons, the relief applies to repayment of principal only.

Granting preferential loans – COVID II Scheme

COVID – the guarantee scheme intended for businesses affected by the coronavirus – was launched the last week as scheduled. It involves credit/loan guarantees of up to 80% for up to three years and includes co-payment of interests. The first round of receiving applications finished at midnight of 3 April. Another round of applications is under development. Non-profit organisations may also apply if they carry out business activities as part of their secondary economic activity. <https://www.cmzrb.cz/podnikatele/zaruky/zaruka-covid-ii/>



Grants in the cultural sector

The Government approved a proposal by the Ministry of Culture today to help cultural service providers which now face economic difficulties in connection with the loss of revenues. It involves public co-funded and non-profit organisations as well as other operators that are active as professional theatres, orchestras, ensembles, independent artistic scene entities, etc. Overall, the amount is 1.07 billion and will be provided in the form of grant schemes. **The Ministry of Culture will publish calls for applications in the next few weeks.**

Tax reliefs – summary

In the tax sector, measures published late in March continue to apply, including, in particular, the following reliefs:

Income tax – Deadlines for filing the 2019 income tax return extended to 1 July 2020, including waiver of any penalty; the waiver of making income tax advance payments for June; retrospective applicability of any 2020 tax loss to the periods of 2018 and 2019 (tax refunds)

VAT and control reports – Immunity from the 1,000 CZK fine for late submission of the control report between 1 March and 31 July 2020; the immunity may be applied to more fines on a case by case basis; waiver of value added tax concerning free-of-charge delivery of basic protective aids applicable to the period from 12 March onwards - throughout the duration of the state of emergency

Road tax – Due dates for April and July advance payments moved to 15 October 2020

Real property transfer tax – Waiver of fines for late submission or late payment of tax / tax advance in the period from 31 March to 31 July 2020; option to file and pay by 31 August 2020.

Taxes in general – Waiver of the fee for an application to delay the payment of the tax / split the payment of the tax into instalments

More details here: <https://www.mfcr.cz/cs/aktualne/tiskove-zpravy/2020/ulevy-v-danove-oblasti-se-rozsiri-37943>

Sources of information for entrepreneurs and non-profit organisations

In order to respond quickly and cope with the current situation, businesses, non-profits and others need information that provide guidance, identify opportunities and help decide on the next steps.

As regards business operators, entities seeking to summarise information and provide clear overviews include, in particular, the Ministry of Trade and Commerce, the Czech Chamber of Commerce, as well as other organisations / associations active in the different business sectors. Recommended reading:

Ministry of Trade and Commerce – updated summary of the situation, see attachments at the bottom of the page:

<https://www.mpo.cz/cz/rozcestnik/pro-media/tiskove-zpravy/opatreni-na-pomoc-podnikatelum-a-zivnostnikum--253690/>

Czech Chamber of Commerce – updates for businessmen:

Latest information (daily updates): <https://www.komora.cz/koronavirus/>

Facebook page with up-to-date conversations/interviews: <https://www.facebook.com/komora.cz>,

YouTube channel: https://www.youtube.com/channel/UCt0D9EbQfm_KZKX1FXO8duw

The Czech Association of Hotels and Restaurants: <https://www.ahrcr.cz/novinky/medialni-vystupy-ahr-cr-duben/>

For non-profit organisations, most business-related schemes, i.e. the Antivirus programme in particular, apply. Many non-profits will face non-compliance with the conditions for current grants in 2020, which will be something for individual grant providers to take their positions on. The Ministry of Culture has already said that it would NOT request organisations to return any funds already provided even if the project fails to be completed due to the current coronavirus situation.

Many non-profits have been involved in active assistance in the current situation, whether through their work, material support or even financial assistance directed, *inter alia*, at other non-profit organisations affected in their activities. Please see a short list of projects here:

<https://osf.cz/2020/03/18/neziskovky-a-dalsi-iniciativy-v-boji-proti-koronaviru/>

<https://www.nadacekj.cz/clanky/spolecne-to-zvladneme>