

Measures to tackle the adverse effects of the spread of Covid-19 outbreak

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C O V I D 1 9



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Adopted Measures to tackle the adverse effects of the spread of Covid-19 outbreak

As the world experiences an unprecedented shock from the spreading of **COVID-19**, Europe faces a severe public health emergency with outbreaks spreading in all Member States.

With a view to contain the infection, the Greek government, has in the past ten days adopted measures which gradually lead to a lock-down of businesses and activities in the country and announced measures to sustain the Greek economy.

The EU Commission has announced its full support to Member States using national budgets to take swift and effective action to support citizens and companies, in particular SMEs, facing economic difficulties due to the COVID-19 outbreak. Commission official announcements allow Member States to design and adopt support measures such as wage subsidies, suspension of payments of corporate and value added taxes or social security contributions as well as granting direct financial support to consumers, or businesses to deal with liquidity shortages and needs of urgent rescue aid including measures in sectors such as aviation and tourism.



Note: for the purposes of the present the terms **affected businesses, affected companies and self-employed professionals and sole practitioners who operate in business sectors affected** shall have the following meaning: those which belong to sectors determined by the Ministry of Economy based on the day-to-day available e-commerce data, according to the specific Code of Professional Activities (CPA), regardless of whether they continue to operate normally or partially, if they were forced by the law to shut down or, they closed on their own initiative as a matter of precaution.

1. Suspension of the operation of all private businesses (KYA 17.03.2020, as further specified by PNP 20.3.2020)

As of 18.03.2020 and until 31.03.2020 the operation of all private businesses throughout the country is suspended with the exception of the following retail businesses:

- Retailing of haberdashery,
- Kiosks
- All retail businesses with e-shops or telephone call center providing delivery services at home
- Food Delivery Services
- Fuel retail businesses
- Cleaning Products retail businesses
- Online gambling services
- Optician shops and shops selling hearing aid devices for urgent telephone orders.
- Shops in airports and ports throughout the country

All retail businesses operating as “shops-in-shops” in shopping centers have been shut down.

Super-markets and pharmacies in shopping malls may continue their operations as long as that they have a different/independent entrance for customers.

All shops continuing to operate must ensure that costumers have a distance of 2 meters between them.

The retail commercial businesses selling food shall remain open for an additional one (1) hour from Monday to Friday and two (2) hours on Saturday. The implementation of this measure shall not exceed a 6-month period starting from 20.03.2020.



Businesses should operate with secure operating personnel which should consist of at least 50% of its total number of employees.

Each employee shall work for at least two weeks every month. The employer is obliged to state in ERGANI Digital Information System the way of organization of its operation, according to the aforementioned rules.

2. Suspension of tax and social contribution payments for affected businesses, employees and lessors of affected businesses (PNP 11.03.2020, as further specified by PNP 20.03.2020).

The following payments, which were due in March, are deferred for a period of four months, i.e. until the 31st of July 2020, without the imposition of any interest, penalty or surcharge:

- VAT payments due in March;
- payments of debts to the Greek authorities;
- scheduled payments in the context of a debt settlement scheme with the Greek State

The above measures apply to affected businesses as well as their employees and natural persons owners of immovable property leased to such businesses. It is in the discretion of the Government to extend the application of these measures to other natural persons that are financially affected by the spread of COVID-19. Up to now, only payments due within March 2020 can be deferred. However, an extension may be granted if necessary.

Similarly, scheduled payments of social security contributions, as well as instalments under debt settlement schemes with the social security authorities, which were due for the month February, are suspended for four months, without accrual of interest or surcharge.

The maintenance of the existing jobs constitutes a prerequisite for the suspension and deferral of taxes for the affected businesses. It is estimated that about 220,000 private businesses, with about 600,000 employees, have suspended operations, in whole or in part. At the same time, at least 100,000 additional businesses, with more than 200,000 employees that have not been shut down by government mandate, are severely affected by the financial impact of the spread of COVID-19 and they will benefit from this measure.



3. Reduction of VAT on specific products (PNP 20.03.2020)

Until 31.12.2020, the VAT charged on products which are necessary for the protection of health and the prevention of contagion of COVID-19 shall be reduced to 6% (in comparison to current VAT rate at 24%). More specifically, the reduced VAT will be charged on the following products: surgeon masks and gloves, antiseptic solutions, soap and other personal hygiene products and ethanol (in case it is used as a raw material to produce antiseptic solutions).

4. Repayment of any overdue liabilities by the Independent Authority for Public Revenue (“IAPR”) (PNP 20.03.2020)

The Independent Authority for Public Revenue shall refund immediately all tax or other amounts due to physical persons and businesses. In particular, the amounts incurred in the context of audits shall be refunded, provided they do not exceed EUR 30,000.00 per tax and per beneficiary. The present measure applies to all pending cases of income tax refund for legal entities or VAT for physical persons and legal entities.

5. Amendment of employers’ publication formalities and provision of “special purpose” paid leave (PNP 11.03.2020)

Given the extreme circumstances of people having to remain at home, the obligation of the employers to submit in advance certain information to the ERGANI Digital Information System were suspended. More specifically: (a) form E4 schedule of personnel and arrangement of working hours, (b) form E8 for the announcement of legal overwork and legal overtime working and (c) form E12 for building activities, can be filed within the first ten days of the following month.

Working parents are entitled to a “special purpose” paid leave of at least three (3) days for a private sector parent, accompanied by one (1) day of regular annual leave day until 10.04.2020. The leave is to be divided between both parents if both parents are employed. In cases where one parent is not employed, the “special purpose” paid leave will only apply exceptionally. This leave will be funded up to 2/3 by the employer and 1/3 by the state budget. Public Sector working parents will be entitled to four (4) days of leave three (3) days “special purpose” paid leave and one (1) day of regular annual leave.



6. Suspension of employment agreements and provision of “special purpose” compensation for employees (PNP 20.03.2020)

Businesses and employers which have suspended their operations by virtue of the imposed measures shall suspend employment agreements.

Other affected businesses and employers are given the option to suspend all or some of employment agreements for one month (starting 20.03.2020), a term which may be extended.

In such cases employees whose employment contract is temporarily suspended will receive a “special purpose” compensation amounting to 800 euros. The State shall cover the social contributions of employees who receive “special purpose” compensation, based on their total nominal wages.

7. Invalidity of termination of employment agreements and “special purpose” compensation for employees whose employment was terminated or who resigned (PNP 20.03.2020)

Businesses and employers which have suspended their operation by virtue of the imposed measures shall not reduce their personnel by terminating employment agreements for the duration of the contingency measures regarding the outbreak and spread of COVID-19.

Affected businesses and employers which have utilized the option to suspend employment agreements are also prohibited from reducing their personnel by terminating employment agreements. They are also be required to maintain the same number of jobs for a period of time equal to that of the suspension of employment agreements.

Any such termination taking place after 18.03.2020 will be invalid.

A “special purpose” compensation of 800 euros will be given to employees whose employment agreements have been terminated or they have resigned in the period from 01.03.2020 to 20.03.2020.



8. Transfer of employees to different companies of the same group (PNP 20.03.2020)

Companies which have suspended their operation by virtue of the imposed measures as well as other affected companies have the option to transfer employees to different companies of the same group of companies following an agreement with such employees. These companies shall be required to maintain the same number of jobs after the transfer.

9. Sole Entrepreneurs' Support (PNP 20.03.2020)

Self-employed professionals and sole practitioners who operate in business sectors affected will also receive the “special purpose” of 800 euros compensation.

10. Business Continuity measures (PNP 11.03.2020, as further specified by PNP 20.03.2020)

Each employer is entitled to unilaterally introduce remote working (working from home).

As of 20.03.2020 until 30.06.2020 the General Assembly of shareholders and partners can be conducted via teleconference for some or all of its parties, even if there is no relevant provision in the articles of association of a company. In this case, the invitation to the General Assembly shall include all necessary information and technical guidelines, regarding the participation in the meeting.

11. Adopted Measures for the Digitalization of the Greek Administration (PNP 20.03.2020)

As of 21.03.2020 the Single Digital Gateway initiates its operation, from which legal entities and natural persons can submit applications and receive documents they are interested in, having the function of Centers of Services for Citizens.

Available actions include:

- Issuance of documents
- Affidavits
- Delegation Acts
- Electronic signatures and seals



12. Payment of reduced commercial and primary residence leases (PNP 20.03.2020)

Businesses that lease commercial properties and are in suspension or in temporary prohibition of their operation, as a result of the spread of COVID-19 shall pay only 60% of the total rent due in March and April.

Same applies to financial lessees regarding movable or immovable property they lease for professional use.

Same reduction of 40% applies to the primary residence of employees of affected businesses.

The lessor is not entitled to terminate the lease agreement and has no other civil claim against the lessee because of the partial non-payment of the rent amount in the above cases.

13. A general suspension of the Judicial System is imposed in Greece from 16.03 until 27.03.2020 (KYA 15.03.2020)

A General suspension of all procedures within the Greek Judicial System is imposed from 16.03 until 27.03.2020. Consequently, all hearings, all enforcement proceedings and auctions and all deadlines are suspended, with certain exceptions to meet emergency cases. Namely:

In the Council of State and Administrative Courts:

- Petitions for provisional orders and in cases of emergency are heard by the court.
- The processing of urgent Presidential Decrees
- Urgent meetings continue to take place via teleconferences.
- Judicial decisions and transcripts of processes continue to be published.

Furthermore, regarding the Administrative Courts, petitions continue to be submitted against decisions of imprisonment of foreigners. Also requests for appeals against judgements given in respect of objections, in accordance with Article 76 (3) – (6) of the Law 3386/2005, which refers to the entrance, residence and social integration of third-country nationals in Greece.

In the Court of Auditors:

- only urgent cases of overriding public interest can be carried out while decisions are published.
- Petitions for provisional orders.
- Urgent meetings continue to take place via teleconferences.



All **Civil Courts** have suspended their operations with the following exceptions:

- Decisions are published.
- Petitions for provisional orders are being examined, but without a hearing. It is also provided that provisional orders which were granted until the date of hearing continue to be valid during the suspension period.

As regards **Criminal Law** and **Military Courts** hearings continue to take place:

- Hearings for flagrante delictii (“red-handed” arrests).
- Selection of juries and commencement of hearings in the Jury Courts and Jury Courts of Appeal as well as drawing lots for seats in criminal cases and cases of interim relief.
- The trial of felonies for defendants that are temporarily imprisoned, and the maximum temporary detention time is expiring.
- Criminal proceedings concerning misdemeanors, reaching a statute of limitation in May 2020 and of felonies reaching statute of limitations in January 2021.

Criminal cases which were postponed for a date within the suspension period may resume or get a further continuance at the discretion of the seating court.

All judicial and court services including **Public Prosecutor’s Office** will continue to operate in order to respond or attend to urgent matters only.

14. Suspension of Operation of Land Registries and Cadastral Offices (KYA 19.03.2020)

A temporary prohibition of operation of all Land Registries and Cadastral Offices in Greece is imposed from 20.03.2020 until 02.04.2020. All kinds of transactions, review of records, all deadlines for any transcription, description, registration of any application and deed, or for the receipt of certificates and copies and the claims time-barring are suspended. Administrative operations are excluded from the present suspension.



Announced Measures to tackle the adverse effects of the spread of Covid-19

The following measures are expected to be implemented by Legislative Acts within the coming days, according to official announcements by the Greek Government press office.

1. Calculation of Real Estate Property Tax 2020 (ENFIA)

The Real Estate Property Tax for the year 2020 will be calculated based on the currently applicable regime, while the changes in the “objective values” system of real estate property will enter into force in the following year.

2. Easter Bonus

Employers will be allowed to defer without penalty payment of Easter bonuses for a period to be specified.

3. Bank Loans

A suspension of the payment of instalments of principal, which are due on 18.03.2020 until at least 30.09.2020, will be granted for entities operating in sectors affected by COVID-19.

Furthermore, a suspension of the payment of loan instalments for a period of three months will be provided for employees, self-employed persons and sole proprietorships who receive the “special purpose” compensation of 800 euros provided for in the current measures.

4. State funding support to affected businesses

Affected businesses will have the right to request financial assistance for the Greek State who has committed to make available an amount of up to EUR 1 (one) billion for affected businesses, allowing them to request for financial assistance in the form of loans to be repaid in an extended time period. The advances will be made to eligible businesses within the next two months through the electronic platform of Taxisnet and directly to their bank accounts.

All or part of the financing, depending on the case, will be repaid to the Greek State within the next years together at a low interest rate

The decrease of turnover, the number of employees of each business, the cost structure of each sector, the consumption of businesses’ reserves constitutes some of the criteria on which the repayable advance will be based on.

The exact amount of the financing will depend on the turnover decrease, as well as on the impact of the net employment cost, provided always that the pertinent businesses has not laid off any employees.

The financial assistance to the affected businesses may be covered by the national or co-financed part of the Public Investment Program, following a relevant Decision by the Minister of Economy and Development, pursuant to the enabling provision of law in the Legislative Act dated 20.03.2020. Secondary legislation on this matter is expected.

5. Suspension of the ongoing process of public procurements (PNP 20.03.2020)

It is announced that, following relevant decision of the competent Minister, any ongoing process of public procurements will be suspended, for a period not exceeding six months, namely:

- The operation of public tenders;
- The extension of periods, regarding the participation bidding offers to public tenders;
- The suspension of periods, concerning any ongoing process of public procurements.