



## COVID-19 – Measures aiming to tackle the effects of the Coronavirus pandemic

### **New legislative measures regarding rent reduction, financial support for lessors and the postponement of the maturity and payment date for securities.**

Pursuant to the provisions of L.4772/2021 that has been recently passed (published in Government Gazette Vol. A' 17/5.2.2021), new measures are regulated in order to address the adverse effects of COVID-19 pandemic. In particular, the following are provided inter alia:

- As per article 26 of the new Law, it is provided that businesses that suffer an operating ban due to a State mandate as well as that are affected by the spread of COVID-19 pandemic will benefit from a relief from the total suspension of the payment of rental due in January and February 2021. In this respect, the Ministry of Finance is expected to clarify the affected businesses, per business sector and month, along with any other detail that is required for the implementation of said measure.
- According to article 27 of the newly passed Law, it is provided that, the State will reimburse individuals-lessors by paying them 80% of the rental originally agreed with the lessee, so as the former do not suffer further financial losses because of the above measure (as regulated under art.26 of said Law). It is further provided that in the case of legal entities-lessors, the State will reimburse them by paying 60% of the monthly rent for January and February. It is also clarified that the amounts paid to beneficiaries, as analysed above, do not constitute taxable income, are tax exempted and non-confiscatable. As per the amounts of the rent originally agreed that remain uncollected, those do not constitute income and, thus, are subject to neither corporate income tax nor special solidarity contribution. Any procedural requirements as well as the procedure for the payment of the reimbursement are expected to be further clarified through the issuance of a Ministerial Decision.
- In addition to the aforementioned, article 28 of L. 4742/2021 provide for the postponement of the maturity and payment date for securities. The said

postponement shall last for 75 days starting from the date indicated on the securities. The measure under examination applies to: (i) Businesses whose operation has been banned or are affected by COVID-19; (ii) Securities with maturity date from 25.01.2021 until 28.02.2021. Both those conditions shall be cumulatively met. Except for businesses that suffer an operating ban due to a State mandate (a relevant list of NACE codes will be published through the issuance of a Ministerial Decision) and those that are affected by COVID-19 pandemic (provided that their NACE code will be included in the relevant list that is expected to be published and their turnover has been reduced by 40% during October-December 2020 in comparison to that of the same period in 2019), the above measure also covers newly established businesses, namely those that have been incorporated after 01.01.2020, irrespective of their turnover.

Furthermore, the postponement of the maturity and payment date for securities is also provided for securities that cumulatively: (i) have maturity date from 18.11.2020 until 31/12/2020; (ii) have benefited from the postponement of the maturity and payment date for securities for 75 days, pursuant to the provisions of article 35 of L. 4753/2020. The new postponement shall last for 45 days, in addition to the 75 days postponement that was initially granted.

Any holder of securities whose relevant days are postponed, as analysed above, may benefit from:

- a) an extension of the deadline of payment of assessed VAT liabilities that are due from 01.01.2021 until 31.01.2021 as well as those due from 31.01.2021 until 28.02.2021; said extension shall last until 31.05.2021. That benefit is conditioned upon the requirement that the total value of securities postponed exceeds 20% of their average monthly turnover.
- b) non-inclusion of securities owed by them to economic behaviour databases that are maintained by financial and credit institutions, provided that they pay those securities in full within 75 days starting from either the date when the securities have been marked 'refer to the drawer' by the bank or their maturity date, provided that the bank certifies the impossibility of recovering the debt within the period from 02.01.2021 until 28.02.2021. The above apply under the condition that the total value of securities held exceeds 50% of the average monthly turnover of the previous FY.



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