



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

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Tax Alert



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

1. Clarifications on the provision of State loan (“repayable advance”) (Circular with ref.no.E.2067/11-05-2020).

The Independent Authority for Public Revenue (“IAPR”) issued a Circular providing clarifications on the repayable advance that will be awarded by the State to businesses in financial distress, due to the outbreak and spread of Covid -19.

In particular, pursuant to the provisions of the said Circular, the IAPR provided clarifications inter alia on the following:

01 Beneficiaries of the repayable advance are active businesses – as of the date of the submission of their expression of interest - which are:

- either private undertakings of any legal form (including sole proprietorships), operating in any industry sector, provided that they have one (1) to 500 employees on 31.03.2020; or
- private undertakings with the legal form of general or limited partnership, limited liability or private operating on any business sectors, in case the aforementioned undertakings have no employees on 31.03.2020, subject to the conditions laid down.

02 A precondition for the grant is for the business applying for the State aid not to be inactive from 01.04.2019 until 02.04.2020. That information will be acquired from the tax register, which is kept by IAPR or it will be indicated by the failure of the entity to submit nil VAT returns during the said period. An entity will be disqualified only in case it has been inactive continuously from 01.04.2019 until 02.04.2020.

03 Insolvent entities or entities under liquidation are not entitled to submit their application for the State loan.

04 Businesses which:

- have registered their commencement of operation in the tax register kept by IAPR until 31.03.2019, and also
- have filed credit VAT returns with zero output from 01.04.2019 until 31.03.2020

may not benefit from repayable advance.

Nevertheless, businesses, which have filed at least one debit VAT return or even a credit VAT return with positive output may apply for the repayable advance, provided that the rest of the requirements are also met. However, it is clarified that concerning businesses, which commenced their operations on 01.04.2020 and thereafter, the relevant information shall refer to the period starting from the commencement of their operations until 31.03.2020.

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In particular, pursuant to the provisions of the said Circular, the IAPR provided clarifications inter alia on the following:

05 Upon submission of the application for the granting of the repayable advance, it will be examined whether or not an applicant qualifies as a **single undertaking**, according to the relevant criteria. Taking into consideration the aid ceilings per single undertaking, those entities who form a single undertaking shall ensure that the amount of aid requested, at the level of the single undertaking, will not exceed the prescribed limits.

Pursuant to the provisions of the Joint Ministerial Decision with ref.no ΓΔΟΥ 94/3.5.2020, it is clarified that affiliated entities, namely in case one entity

- holds the majority of shareholders’ or partners’ voting rights in the other entity;
- is entitled to appoint and terminate the majority of the members of the administrative, management or supervisory body of the other entity;
- is entitled to exercise dominant influence on the other, pursuant to a valid contract or a relative clause included in the articles of association of the latter;
- is a shareholder or partner in another entity, and controls the majority of voting rights of shareholders or partners in that entity, on the basis of an agreement with the aforementioned shareholders or partners of the latter.
- shall be construed as constituting **single undertaking**

To be noted that entities being part in any of the above schemes do constitute a single undertaking even in case they fulfil the aforementioned requirements (under a-d) though another entity or an individual or a group of individuals acting jointly.

06 As per the provisions of the relative Joint Ministerial Decision, the turnover decrease in accordance with the set rates (6,7% and 20%), during the first quarter of 2020 or in May 2020, will be effected on the basis of the figures reported in the myBusinessSupport platform.

Given the fact that the respective VAT returns for the above periods have already been submitted, the information reported in tax code 312 of the VAT returns will be taken into consideration, provided that the amounts reported therein are higher.

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- 07** Following the submission of the final application, the applicant may proceed to **amendments of the application** more than once until the end of the day of the initial submission (23:59:59). After that time, the final application may not be further amended. It shall be highlighted that the deadline for the submission of applications is set on **15.05.2020**.
- 08** In case of rejection of an application, the concerned entity may submit a re-examination request in the myBusinessSupport platform, after being notified electronically about the rejection. The said re-examination request may be submitted within five (5) business days starting from the notification of the rejection. The date on which the personalized message is sent to the entity’s account in myTAXISnet is considered as the notification date. The said personalized message shall include all the grounds for rejecting the application.
- 09** Lastly, it is noted that all submitted applications are examined by the General Directorate of Financial Services; the latter is obliged to reply to any re-examination request submitted, on the basis of the data and information put at their disposal by IAPR, when those are requested.

Contact us



Maria Trakadi

Tax & Legal Leading Partner

mtrakadi@deloitte.gr

Tel.: 210 6781260, Mob: 6945855316



Thomas Leventis

Tax Partner

tlevantis@deloitte.gr

Tel.: 210 6781262, Mob: 6948681708



Konstantinos Roumpis

Tax Partner

kroumpis@deloitte.gr

Tel: 210 6781272, Mob: 6951976170



This document has been prepared by Deloitte Business Solutions Societe Anonyme of Business Consultants, Deloitte Certified Public Accountants Societe Anonyme, Deloitte Business Process Solutions Single Member Societe Anonyme for the Provision of Accounting Services and Deloitte Alexander Competence Center Single Member Societe Anonyme of Business Consultants.

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