



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

Circular issued by the Independent Authority for Public Revenue – Extension of deadlines and 25% discount is clarified

The Circular includes, inter alia, the following:

A. Deadlines for payment of assessed debt and assessed debt from VAT returns are now extended

01

Deadlines for payment of assessed debt before tax authorities and assessed debt from VAT returns due from 11/3/2020 until 30/4/2020 are extended until 31/08/2020. The same deadline also applies to the amount of installments in the context of a debt settlement scheme for aforementioned debt and is applicable to businesses (taking any legal form, including sole proprietorships, free-lancers and self-employed) who: a) on 20/3/2020, maintained, as active primary CPA code, one of those mentioned in the relevant debt lists published in circulars (VAT / other assessed debts), as amended and currently in force or b) on 20/3/2020 maintained, as active secondary CPA code, one of those mentioned in said lists, provided their gross revenue for the activity of the secondary CPA code, as stated in FY2018 initial income tax return, was higher than the gross revenue for the activity of the primary CPA code (Relevant Circulars A.1053/20-03-2020, A.1054/20-03-2020 as amended by A.1062/24-03-2020 and A.1063/24-03-2020 and currently in force).

Aforesaid deadline extension was also provided to individuals acting as lessors of property to affected businesses as well as to their individual employees whose employment contract has been suspended either because businesses have ceased their operations due to a State mandate or because they have applied the suspension of employment contracts of their employees.

02

Deadlines for payment of assessed debt before tax authorities/debt supervision centers as well as installments in the context of a debt settlement scheme, which were due from 1/4/2020 until 30/4/2020 are extended until 31/08/2020. The same deadline also applies to assessed debt from VAT returns, debt of individuals acting as lessors of property to affected businesses and debt of individual employees whose employment contract has been suspended (Relevant Circulars A.1072/2-4-2020, A.1073/2-4-2020, A.1074/2-4-2020 and A.1075/2-4-2020).

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Circular issued by the Independent Authority for Public Revenue – Extension of deadline for payment of assessed debt and amount of installments with a 25% discount is clarified

In specific, deadlines for aforesaid debt amounts are extended on a case-by-case basis for the following persons:

01 businesses taking any legal form, including sole proprietorships, freelancers and self-employed, who:

- on 20/3/2020, maintained, as active primary CPA code, one of those mentioned in the relevant lists published in circulars A.1073/2-4-2020 and A.1072/2-4-2020 (VAT / other assessed debts and installments in the context of a debt settlement scheme), as amended and currently in force or
- on 20/3/2020 maintained, as active secondary CPA code, one of those mentioned in said lists, provided their gross revenue for the activity of the secondary CPA code, as stated in FY2018 initial income tax return, was higher than the gross revenue for the activity of the primary CPA code.

02 Individuals:

- acting as lessors of property to affected businesses who maintained as active primary or secondary CPA code one of those mentioned in the relevant lists attached to Circular A.1074/2-4-2020 (including relevant exceptions).
- employees whose employment contract has been suspended in businesses who maintained as active primary or secondary CPA code one of those mentioned in the relevant lists attached to Circular A.1075/2-4-2020 and whose employment contract has been suspended either because businesses have ceased their operations due to a State mandate or because they have applied the suspension of employment contracts of their employees.

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Circular issued by the Independent Authority for Public Revenue – Extension of deadline for payment of assessed debt and amount of installments with a 25% discount is clarified

The Circular includes, inter alia, the following:

B. 25% discount on the amount of installments of assessed debt for businesses and individuals (Legislative Decree on 30/3/20)

01

25% discount is provided on the amount of installments of assessed debt (which is not due) before tax authorities except for VAT and WHT debt, as well as on the amount of installments in the context of a debt settlement scheme to those persons mentioned in paragraphs 1 and 2 of the Circular provided the payment date of said debt is:

- on 30 and 31 March 2020, provided the installments are paid from 30/3/2020 until 10/04/2020 or until any date set by a Circular providing extension (view Circular A.1068/31-03-2020, according to which any debt whose payment date is on 30 and 31-3-2020 is deemed as timely paid provided it is paid until 10/4/2020) and
- from 1 until 30 April 2020, provided the installments are timely paid.

With respect to March, aforesaid 25% discount applies to businesses stated in Circular A.1053/2020 (as amended by A.1062/2020) and to individuals stated in Circular A.1061/2020 who are acting as lessors of property to those businesses or who are employees whose employment contract has been suspended. Both businesses and individuals shall benefit from said discount provided they pay the residual amount of 75% of their assessed and non-due debt (except for VAT and WHT debt) or their installments in the context of a debt settlement scheme due on 30 and 31/3/2020, from 30/3/2020 until 10/4/2020 or until any date set by a Circular providing extension.

In addition, with respect to April, aforesaid 25% discount also applies to persons mentioned in paragraph 3 of the Circular who will timely pay the residual amount of 75% of their assessed and non-due debt (except for VAT and WHT debt) or their installments in the context of a debt settlement scheme due from 1/4/2020 until 30/4/2020.

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B. 25% discount on the amount of installments of assessed debt for businesses and individuals (Legislative Decree on 30/3/20)

01

According to said Circular, in order for the 25% discount to be provided in case of installments in the context of a debt settlement scheme, the following should be noted: any previous installments should have already been paid and said discount does not apply to the payment of the first installment but from the second and onwards.

The Circular provides clarifications with respect to the procedure for the payment of 75% on TAXISnet, while, for taxpayers who paid the full amount of their installments on 30 and 31 March 2020, the 25% discount shall be refunded according to the respective provisions. The same applies to taxpayers who timely paid from 30 March onwards or will timely pay more than 75% of their installments for March and April.

The Circular also provides clarifications and guidance to tax authorities on best practices regarding reorganization agreements, which have been validated by the courts (articles 99 et seq. of L. 3588/2007 – Insolvency Code) and include debt provisions for businesses who maintain as CPA code one of those mentioned in the relevant Circulars.

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Press release – Deadline for payment of debt with a 25% discount extended

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Press release issued today, on April 10, 2020 by the Ministry of Finance stating that the deadline for payment of assessed debt with a 25% discount by affected businesses due to COVID-19 pandemic has been extended until **21.4.2020**. The same deadline also applies to the amount of installments in the context of a debt settlement scheme, which were due on 30.3.2020 and 31.3.2020, to the lessors of property to affected businesses as well as to individual employees of said businesses.

Contact us



Maria Trakadi

Tax & Legal Leading Partner

mtrakadi@deloitte.gr

Tel.: 210 6781260, Mob: 6946789080



Thomas Leventis

Tax Partner

tlevantis@deloitte.gr

Tel.: 210 6781262, Mob: 6948681708



Konstantinos Roumpis

Tax Partner

kroumpis@deloitte.gr

Tel: 210 6781272, Mob: 6951976170