



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

18 June 2020
Tax Alert



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

- **Electronic submission of the Declaration of Real Estate Lease Information**
 - **Submission of the “COVID Declaration” by owners-lessors of real estate, who receive lease reduced by 40%.**
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According to the Decision with ref.no. A.1139/2020 issued by the Independent Authority for Public Revenue (“IAPR”), the provisions of Circular POL 1162/2020 (which regulate the procedure and lay down the modalities for the electronic submission of the Declaration of Real Estate Lease Information) are amended and it is provided inter alia:

01 The electronic submission of the Declaration of Real Estate Lease Information is mandatory for lease contracts, which have been concluded before 01.01.2014 provided they are in force on 12.06.2020

Pursuant to the provisions of the new Decision, it is stipulated that regarding real estate lease contracts, either initial or amended (due to tacit renewals or adjustment in the lease fee amount), the Declaration of Real Estate Lease Information shall be submitted by **30.09.2020** - without any penalties being imposed - provided that (i) the said contracts are in force on 12.06.2020 and (ii) the respective Declaration of Real Estate Lease Information has not been electronically submitted.

It is further clarified that the mandatory submission also applies to lease contracts, which have been concluded before 01.01.2014. To be noted that so far there was no such obligation. In that case, upon submission, all relevant information regarding the lease contract shall be reported, as those were in force on 12.06.2020.

As regards a lease contract for which the respective Declaration of Real Estate Lease Information has been electronically submitted or has been filed at the competent tax office, that has been terminated by 12.06.2020, the lessor shall report the termination date by 30.09.2020, otherwise the contract will be deemed valid.

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02 Submission of the “ COVID Declaration” by owners-lessors of real estate, who receive lease reduced by 40%

Real estate lessors, who receive lease payments reduced by 40% (as a result of the application of measures addressing the adverse effects of COVID-19), shall submit a declaration reporting the amended lease fees due in March, April, May and June (“COVID Declaration”) by **22.06.2020**. By submitting the said Declaration within the prescribed timeframe, the aforementioned persons may benefit from the support measures, namely the exemption from Corporate Income Tax for uncollected lease fees, as well as the right to deduct an amount equal to 20% of the 60% of the lease fees corresponding to the months, during which the measure of reduced commercial lease has been applied/will apply (as those lease fees were applicable before the 40% reduction), from debts owed to the tax authorities, which will be due as of 31.07.2020 onwards.

Furthermore, it is clarified that lessors shall report any subsequent lease fees decrease, as a result of the application of the measures addressing the adverse effects of COVID-19. In this respect, lessors shall submit the respective “COVID Declaration” (initial or amendment), until the twentieth day of the month during which the decrease shall apply. In any case, lessors may make further modifications to the Declaration until the final date of the “COVID Declaration” submission.

It shall be noted that in case the Declaration of Real Estate Lease Information has not been electronically submitted, the said Declaration shall be submitted before the submission of the “COVID Declaration”, by 22.06.2020, without the imposition of any penalties. When submitting the Declaration of Real Estate Lease Information, the lessor shall report all relevant information as those were in force before the lease fee reduction.

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Moreover, it is provided that lessees shall accept the “COVID Declaration” regarding the period starting from March to June 2020 (as the case may be) by **26.06.2020**. Regarding any subsequent lease fees reduction, the acceptance of the declaration shall be concluded within three (3) working days starting from the final date for the submission, as the latter applies to lessors. It shall be highlighted that the submissions shall be without prejudice to any rights, which are in dispute between the parties.

In case of missing acceptance by the lessee, after the expiry of the relevant deadline, the respective Declaration shall be deemed accepted by the lessee. Any non-acceptance declarations, which are submitted after the said deadline, do not result in preventing the granting of any benefits provided, while a cross-check of the relevant information may be carried out at a later stage.

On another note, the submission and acceptance of the “COVID Declaration” also applies in case an amended “ Declaration of Real Estate Lease Information ” regarding the lease fees reduction has already been submitted.

Lastly, it shall be noted that the IAPR has published guidelines regarding the application for the submission of the “ Declaration of Real Estate Lease Information” and the “COVID Declaration”.

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