



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

A. L.4753/2020: New provisions for discounts on commercial leases due in October and November, in the context of measures aiming to tackle the adverse effects of COVID-19

According to the provisions of articles 33 and 34 of the recently enacted L.4753/2020 (Government Gazette, Vol. A' 227/18.11.2020) significant changes have been introduced to the measures providing commercial lease discounts. In particular, as per the new legislative provisions the following are provided, inter alia:

01 **Application of the optional 30% reduction of commercial lease due in October 2020**

According to the new provisions, the optional 30% reduction of commercial lease applies only for September and October 2020. It shall be noted that before the said amendment, which was introduced by L.4753/2020, lessees of commercial leases for businesses that are adversely affected by the spread of Covid-19 could benefit from the 30% optional reduction of commercial lease for the period between September and December 2020.

02 **Application of the 40% reduction of commercial lease due in October 2020**

Lessees in the context of a commercial lease, who (a) are based in a Regional unit whose epidemiological level has been rated “very high” for a period of fourteen (14) days during October (as per the classification provided in the Joint Ministerial Decision with ref.no. Δ1α/Γ.Π οικ.64450/11.10.2020), and (b) suffer a temporary ban of their operations for precautionary or repressive reasons related to Covid-19 or who are adversely affected by the spread of Covid-19 may be exempted from the payment of 40% of the total lease due in October 2020.

Further, it is provided that the affected businesses per Regional unit and per business sector, as well as all other necessary details will be determined by a Ministerial decision that will be issued upon recommendation by the Governor of the Independent Authority for Public Revenue (IAPR).

03 **Application of the 40% reduction of commercial lease due in November 2020**

Lessees of commercial leases, who (a) are based in a Regional unit of either a high epidemiological level or where public health emergency measures have been implemented through a State order and (b) suffer a temporary ban of their operations for precautionary or repressive reasons related to Covid-19 or are adversely affected by the spread of Covid-19 may be exempted from the payment of 40% of the total lease due in November 2020.

It shall be noted that the affected businesses per Regional unit and per business sector, as well as all other necessary details are expected to be determined by a Ministerial decision that will be issued upon recommendation by the Governor of the IAPR.

It is further clarified that the above provisions also cover commercial leases for the establishment of canteens.

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04 Special provisions for individual lessors

New provisions are introduced in article 13 of L. 4690/2020 which provide support measures for lessors who collect reduced rents in the context of measures aiming to tackle the adverse effects of Covid-19.

Pursuant to the new legislative provision, it is provided that individuals-lessors of commercial leases for businesses that have been affected by Covid-19, who will collect reduced rents as of November 2020 onwards (according to the abovementioned measures) will receive in their bank account (the one declared in their personal income tax return) an amount equal to half of the reduction of the rent. It shall be highlighted that before the introduction of that measure for November 2020 and onwards, lessors could set off an amount equal to 20% of the 60% of the rent for the months, during which the measure of reduced commercial leases were applicable (taking into account of the amount of the rent before the reduction) against debts owed to the tax authorities, which were due as of 31.07.2020 onwards.

Lastly, it shall be noted that all necessary procedural requirements along with the procedure for the payment to the lessors' bank accounts will be determined through the issuance of a Ministerial decision.

B. Corrections of errors and omissions in "Covid declarations" and Declaration of Real Estate Lease Information until December 15, 2020

According to the provisions of the Decision with ref.no. A.1243/2020 issued by the Governor of the IAPR, lessees who receive notifications by the Tax Authorities to submit the "Covid Declaration" or the Declaration of Real Estate Lease Information corresponding to the period from March to April 2020 so as to make corrections of errors or omissions, shall submit the corrective declaration until December 15, 2020.

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