



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

1. The application of super-reduced VAT rate on hygiene products and the reduced VAT rates on certain goods and services is extended

The recently enacted Law 4787/2021 (published in the Government Gazette Vol. A' 44/26-03-2021) provides, inter alia, the following:

- ✓ According to article 10 of said Law, the super-reduced VAT rate at 6%, which is applicable to certain hygiene products that are used in order to address the spread of the pandemic as regulated under article 2 of the Legislative Decree as of 20.03.2020, will apply until December 31, 2021. To be noted that the previous version of aforementioned article 2 did stipulate that the super-reduced VAT rate would apply until 30.04.2021;
- ✓ Pursuant to article 11 of the new Law, it is regulated that the provisions of Annex III of the VAT Code (L. 2859/2000) on “Goods and Services that are subject to reduced VAT rate (art.21 para 1)” (relating to non-alcoholic beverages, cinema tickets, transport of persons, etc) will apply during the period from 01.06.2020 until 30.09.2021 (that date included); whereas, before the recent legislative amendment, the reduced rates would apply until 30.04.2021, according to art.11 of L. 4690/2020.

2. Rental reductions for March 2021 – a new Ministerial Decision provides clarifications on the determination of the NACE codes of businesses that are eligible for the new measures regarding rent reduction corresponding to the period of March 2021

The new Ministerial Decision with no. 1063/2021 clarifies the businesses that are eligible for either the total suspension of the payment or the 40% reduction in rental payments due in March 2021 by determining their NACE code.

In particular, pursuant to said amendments, said decision – provides that businesses (both headquarters and branches in Greece) suffering an operating ban due to a State mandate, as well as those affected by the outbreak and spread of COVID-19, namely businesses:

- a) either with active main NACE code, as of 04.01.2021, or whose gross revenue generated from their active (as of 04.01.2021) NACE code of secondary activity exceeds the revenue generated from their main NACE code, as of 04.01.2021, provided that those NACE codes are included in the list of the Annexes of said decision may benefit from either the total suspension of the payment of rental - in case their NACE code of main or secondary activity is included in the list of Table A – or the 40% reduction of the rental payment – in case their NACE code is included in the list of Table B – due in March 2021.
- b) either with active main NACE code, as of 04.01.2021, or whose gross revenue generated from their active (as of 04.01.2021) NACE code of secondary activity exceeds the revenue generated from their main NACE code, as of 04.01.2021, provided that (i) those NACE codes are included in the list of Table B of the Annex and (ii) the main active NACE code of the branch – as of 04.01.2021 – is included in the list of Table A', may benefit from the total suspension of the rental payment due in March 2021. For purposes of application of the decision, it is further clarified that a branch is defined as any type of professional establishment, away from the registered office, where trading or other production activity is taking place.

Pursuant to the provisions of the aforementioned it is also clarified that when determining the NACE code for the business to be eligible for the measure, it is examined which NACE code has been in force on 09.02.2021. On another note, it is regulated that businesses that have been inactive on 04.01.2021 may benefit from said measures on the basis of their main NACE code as that was selected on the date of the commencement of their activities until the date of the publication of the Ministerial Decision (i.e. until 24.03.2021). In case the business has declared that the branch activities have commenced after 04.01.2021, they are considered eligible for the rent reductions on the basis of the main NACE branch code that was in force on the date of the commencement of the branch activities, starting from 04.01.2021 until 24.03.2021.



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