



COVID-19 - Clarification on the postponement of VAT and assessed debt payments

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Tax Law Alert



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On 22 March 2020, the Ministry of Finance issued a Decision with ref.no. A.1054/2020 regarding the postponement of VAT payments, as a result of the spread of COVID-19.

A. 1054/22.3.20

01 The said ministerial decision provides, *inter alia*, for the following measures:

1. The postponement of the deadline for the payment of assessed debts of businesses with one of the CPA codes, as those have been specified in the relevant list. The said measure applies to VAT debt due from 11.03.2020 until 30.04.2020. The postponement provided shall last until 31.08.2020.
2. The postponement of the collection of assessed VAT debt due on 11.03.2020. The said postponement shall last until 31.08.2020, while the measure under examination also applies to debts of affected businesses with the specific CPA codes.

It shall be noted that, upon payment, no interest or other surcharge in relation to the postponement period shall be calculated.

Further, the postponement shall automatically cease to apply in case:

the employment contracts of all or part of the employers are postponed and the employer terminates the employment contract, as well as

by the time the postponement period is over, businesses do not preserve the same number of jobs.

Along with the postponement cessation, any debt incurred shall bear interest and surcharges from the date on which the said debt has been initially assessed.

COVID-19 - Clarifications on the postponement of VAT and assessed debt payments

On the same date, namely on 20.03.2020, the Ministry of Finance also issued a Decision with ref.no. A.1053/2020 regarding the postponement of the collection of assessed debt and the extension of the deadline for scheduled payments, as a result of the spread of COVID-19.

A.1053/20.3.2020

02 The abovementioned Ministerial Decision provides, *inter alia*, for the following measures:

1. Businesses with specific CPA codes (as included in the aforementioned list) - as of 20.03.2020 - may benefit from the extension of the deadline for payment of assessed debts, due from 11.03.2020 until 30.04.2020. The said extension will last until 31.08.2020. By virtue of the Decision no. A.1053/2020, businesses with the specified CPA codes may also benefit from the extension of the deadline for scheduled payments in the context of a debt settlement scheme. The said extension will last until 31.08.2020.
2. Businesses with the specified CPA codes may benefit from the postponement of the collection of assessed debt due on 11.03.2020. The said postponement shall last until 31/08/2020.

Upon payment, no interest or surcharge in relation to the postponement period shall be calculated.

It is further noted that the Decision also provides for the automatic cessation of the postponement or extension, in case:

- the employment contracts of all or part of the employers are postponed and the employer terminates the employment contract, and
- by the time the postponement period is over, businesses do not preserve the same number of jobs.

Along with the automatic cessation of the postponement or extension, any debt incurred shall bear interest and surcharges from the date on which the said debt has been initially assessed.

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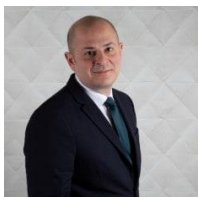


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