



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

April 2020
Tax Alert



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

Postponement of assessed debt payments for businesses and individuals as an emergency response measure addressing the adverse effects of COVID-19

On 31.03.2020, the Ministry of Finance, through the issuance of a Ministerial Decision (with ref.no.A.1068/2020), provided for the postponement of assessed debt payments, due from 30.03.2020 until 31.03.202. The said postponement shall last until 10.04.2020.

In particular, that circular clarifies the following:

- 01** It is further clarified that the said measure applies to businesses and individuals that are entitled to benefit from the 25% discount, as the recent Legislative Decree issued on 30.03.2020 has regulated it.
- 02** The aforementioned businesses and individuals may also benefit from the postponement of instalment payments in the context of a debt settlement scheme, due on 31.03.2020. The said postponement shall last until 10.04.2020.

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Postponement of instalment payment in the context of a debt settlement scheme agreed with social security funds, provided for (i) businesses which have been temporarily banned or are drastically affected (on the basis of their CPA code) by the emergency measures taken in order to tackle the spread of COVI-19 and (ii) their employees

On 31.03.2020, the Single Social Security entity (EFKA) issued a circular which included the notification of the provisions of the recently issued Ministerial Decisions with ref.no. Δ.15/Δ'/οικ. 13226/325/26-03-2020 and 12998/232/23-03-2020.

In particular, that circular clarifies the following:

- 01** The extension of the deadline for instalment payments in the context of a debt settlement scheme, due on 31.03.2022, is provided for a period of three (3) months. Similar extension applies to any subsequent monthly instalment.
- 02** Businesses or employers: a) whose employees receive either salaries or wages, have private-law employment contracts of either indefinite or definitive period of time, have either full time or part time jobs or even work in job rotation; b) have active main CPA code, as of 20.03.2020, one of those included in the list attached in the relevant Decision, may benefit from the said measure.
- 03** Therefore, for the abovementioned businesses the payment of the instalment due in March is extended until 30.06.2020. During the postponement period, no interest or any other surcharge is calculated.
- 04** The payment dates of any subsequent instalments (as of April 2020 onwards) are similarly extended; thus, the extension of the deadline for instalment payments is provided for a period of three (3) months in total, provided that the above conditions are met.
- 05** On another note, it shall be highlighted that the aforementioned extensions cease to apply in case: (i) the employer terminates the employment contract of employees whose contracts have been suspended; (ii) after the completion of the measure, the employer does not preserve the same number of jobs. The Ministry of Finance shall clarify the required period of the preservation of the same number of jobs. If the above measure cease to apply, interest and other surcharges are charged upon the relevant tax liabilities.

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