

NEW MEASURES AGAINST COVID-19 EFFECTS

On 29th of May 2020, the Greek Parliament voted a new bill, with certain measures against the effects of the pandemic and in order to assist affected businesses and individuals. Some noteworthy measures, as they got published under Law 4690/2020, are mentioned below:

1. 25% reduction on tax obligations

Businesses, which have been affected by the Covid-19 pandemic, and employees of these businesses, are entitled to a 25% discount on their tax obligations due in May 2020 if they are paid in time. VAT obligations and withholding taxes which are not under a debt settlement scheme are exempt from the above measure.

2. 40% reduction on monthly rents

Pursuant to the new bill, the 40% reduction on monthly rents due in May 2020 is extended also for the rents due in June 2020 for certain categories of businesses. The businesses and individuals taking advantage of this measure are the following:

- Businesses whose operations have been suspended or prohibited, due the Covid-19 pandemic in June, or, which are specifically

designated in Ministerial Decisions to be issued;

- Employees of the affected by the pandemic businesses, as above, or their spouse.

3. 'SYN-ERGASIA' Job retention scheme

On 19th of May 2020, the European Council adopted the Council Regulation (EU) 2020/672 to temporarily Support Unemployment Risks in an Emergency (SURE Program) following the COVID-19 outbreak, forming a part of the second package of measures adopted on 2 April 2020. According to the SURE Program, affected member states will be provided with loans¹ from the EU up to the aggregate amount of 100 billion Euro. The Greek state, pursuant to art. 31 of the new bill, launches the so-called SYN-ERGASIA Program. Following are certain elements of this program:

- The SYN-ERGASIA Program² will act as a support tool to the affected by the pandemic businesses, which wish to occupy their employees in a temporary employment status, without amending their employment contracts.

¹ These loans will be backed by guarantees provided by the member states (total amount of 25 billion Euro) and the EU budget.

² Funded by the SURE Program.

- Right to participate in SYN-ERGASIA Program have all the affected businesses with at least 20% reduction in their turnover during the pandemic crisis (regardless of their CPA code), the seasonal businesses, and the newly established ones.
- The affected businesses may apply up to 50% reduction of the weekly employment time to all or part of their employees, for one or more than one months during the effective period of the mechanism, dependent on the operational needs of the business.
- The measure shall take effect only for the employees who are under a full-time agreement at the time of the Law's publication.
- This mechanism shall take effect as of 15.06.2020 until 15.10.2020.
- The Greek state, under the SYN-ERGASIA mechanism, will cover up to 60% of the employees' salary corresponding to the non-working time. In cases where the net amount of the salary falls short of the minimum wage, then the Greek State will fully cover the difference.
- The participating in the scheme businesses will have to continue covering all social security contributions of the employees, based on their nominal salary amount.

It should be noted that companies under the SYN-ERGASIA scheme cannot lay off their employees until the end of October 2020 nor reduce their salary.