



# COVID-19: EUROPE GUIDE FOR EMPLOYERS



Employment Law Expertise Provided  
by the European Members of the



# INTRODUCTION

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Today, across the globe, companies are trying to balance the many business challenges that are occurring due to the global pandemic of the COVID-19 virus. Employers are doing their best to take the necessary actions to protect their employees, but with local laws and government regulations constantly changing, it is difficult to keep up with the most important issues.

In this white paper, the ELA members from 34 jurisdictions across Europe have provided answers to the most pressing questions regarding how different countries are managing the pandemic and taking steps toward recovery. This is a guide for European employers, listing the appropriate actions they must take in order to meet the needs of their employees, while also making important choices necessary to keep business moving forward.

We hope that this paper helps you address key issues in your jurisdiction and where you do business in Europe. As the situation is constantly evolving, readers should take note that this publication is accurate as of 6 May 2020. Readers should also keep abreast of developments in the countries of concern to them.

If you have additional questions or need further information, please reach out to the contributors individually.

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** No formal state of emergency is in place in Austria. Instead, several COVID-19 laws were implemented that amended existing laws. These laws created the legal basis for the Minister of Health to introduce specific measures by means of a decree (for details, see answer to the next question).

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** The first official COVID-19 case in Austria was identified in Innsbruck on February 25, 2020. In the course of the next few days there were isolated further cases throughout the country. During the first days one had the impression that it could remain with individual cases, since many suspected cases were tested negative. The first and more or less only measures taken were travel bans for people coming from risk areas like Italy or China.

On March 10, 2020 the Austrian government announced that with immediate effect any public event with more than 100 attendees (indoor) or 500 attendees (outdoor) are forbidden. Universities were closed and employers were asked to allow home office wherever possible. It has also been announced that schools and kindergartens will be closed soon.

Until March 11, 2020 a total of 246 positive cases were detected with the number now increasing much faster. At the end of this week the governing therefore announced that effective from Monday, March 16 2020, it was no longer allowed to enter the public space unless for one of the following causes:

- for important shopping (e.g. groceries, pet nutrition, etc.),
- to help people that cannot help themselves,
- for work (if home-office was not an option),
- to have a walk or sport activities like running,
- in case someone's life or health was in danger.

Some parts of Austria (in particular a lot of ski areas in the western part of the country) were put under complete quarantine and no one was allowed to leave or enter these regions.

It was during this period that the legislator passed the first COVID-19 Act, which authorized the Minister of Health to issue these and further bans by decree. Since then almost 30 decrees have been published. The most severe measures in addition to what has already been highlighted before were the following:

- The majority of shops was closed. Exemptions existed for shops that sell, for example, pharmacy products, groceries, pet nutrition and other products that are crucially needed for the daily life.
- The majority of service providers were no longer allowed to serve customers.
- Sports facilities of all kinds were closed.
- All hotels and restaurants, bars and clubs were closed.
- Any events (theater, concerts, festivals, sport events, etc.) were forbidden.
- The borders were more or less completely closed. Entering Austria is still only possible for Austrian citizens or people permanently residing in Austria provided that they stay at home for 14 days. Exemptions exist for commuters, commercial transport and transit without stop in Austria. Any other person that wants to enter Austria needs a confirmation of a negative microbiological test not older than four days.
- Air and rail traffic with some countries was completely stopped (e.g. to Switzerland, Germany, Italy, UK, etc.).

All of these measures applied until April 30, 2020. Some of them are extended, some of them are reduced, some of them ended (see Sec III).

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** The most important step was the introduction of a new short-time work system. Under this system, an employee will continue being entitled to 80-90% of the prior net remuneration while the working hours are reduced to 10-90%. The employer must only bear the pro rata remuneration costs due for the reduced working hours and gets a funding from the state for the balance. Almost 100,000 applications have been made so far and more than one million people are doing short-time work. The numbers are still increasing.

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In addition to that, a new law has been implemented stating that even if a shop is closed due to COVID-19, the employees remain entitled to the remuneration. However, the employer can unilaterally request them to use old vacation entitlements and plus hours up to 8 weeks.

Employees that are not entitled to paid leave to care for children or close relatives that need care can agree with the employer to stay at home for up to three weeks. The employer receives a reimbursement of 1/3 of the costs from the state.

A new exemption was also created to protect the risk groups. If there is a medical certificate confirming that the employee belongs to a risk group, there is a statutory entitlement to be released from duty with continued remuneration. This does not apply if sufficient protection can also be provided in the workplace. During the leave of absence, the salary must continue to be paid, but the state reimburses the employer for the costs.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** In mid-April almost 600,000 people were unemployed. This represented an increase of about 60% compared to the previous year. In the meantime, the numbers are decreasing again. At the end of April, about 560,000 people were unemployed, which is an increase of 52% compared to 2019.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** The Austrian government is currently following a principle of gradual economic recovery. In mid-April smaller shops up to 400m<sup>2</sup> were allowed to open. The same was true for shops selling construction and garden supplies. Since May 1, 2020 plenty of measures were either weakened or stopped. All shops are open and a majority of service providers like, for example, hairdressers can start working again. In general, entering the public is permitted again, as long as one keeps a distance of at least one meter to strangers and wears a mask in closed rooms, means of transport, etc.

Every two weeks, further measures are reduced or stopped. The interval of two weeks is used to ensure that an increase in the number of infections due to loosening can be detected and reacted to immediately.

From mid-May, restaurants may reopen under strict conditions (minimum distance, masks, etc.). From the end of May, hotels will also be allowed to reopen for touristic purposes. The longest limitations will exist in the area of public events. Currently, all events with more than 10 people are prohibited. Travel will not be possible for much longer, as Austria is afraid of bringing the virus back from other countries.

This gradual rehabilitation of the economy also means that unemployment figures fall and will continue to fall. At the same time, the working hours of people doing in short-time work is increased. Some companies even already terminated short-time work and started their normal operation.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** One of the biggest support schemes for employer is the massive funding of short-time work. The budget for this funding currently amounts to 10 billion EUR.

There is also another financial support scheme endowed with 38 billion EUR. This scheme is not intended to keep people in employment but especially to help smaller companies. In particular, it:

- foresees entitlements to emergency aid by means of cash subsidies for small companies and companies in business areas that were especially affected (e.g. catering, service providers, etc.),
- grants access to bank financing that is secured by the state and
- gives the option to apply for deferral of tax payments as well as for a reduction of upfront tax payments.

Individual federal states have decided on additional aid measures. These may, for example, be benefits to companies that are of particular importance for the region.

All experts assume that the current budgets will not be sufficient. However, the Austrian government has announced that it will help at any cost.

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** No. There's not any official “state of emergency” declared in Belarus.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** The 14 days quarantine is mandatory for the people arriving from the countries where COVID-19 cases are registered. Apart from that no mandatory social distancing measures are adopted in Belarus.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** Yes. Due to COVID-19 situation, the employers were provided with the right to amend the material terms of work with a shorter notice (1 day now versus 1 month before) and with the right to temporarily transfer the employees without their consent. In addition, employees that are taking care of children aged under 10, who are the COVID-19 contacts of the first and second level and hence could not visit the school or child daycare center, are entitled for temporary disability allowance in the amount of 100% of their respective salary.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case.***

**A:** The unemployment rate has not changed significantly, although the official information can be outdated.

## III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** There's no any special COVID-19 related exit strategy introduced in Belarus.

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***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** The deferral of rent and moratorium on increase of rent till 30 September 2020 were introduced for the companies (i) conducting activities exposed to the negative impact of the epidemiological situation and (ii) providing household services to the population.

Also, such companies may be provided with the tax credit upon the separate decision of the local authorities.

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** Belgium has not declared a "state of emergency" as such, but is in a period of “semi lockdown” that was phased in as from 13 March 2020 and will continue until 4 May 2020. During this period, various measures (see the next question) were taken to prevent the spread of the COVID-19 virus and these were strengthened and/or extended at various moments after consultation with the National Security Council.

As from 4 May 2020, the Belgian government will start its exit strategy phasing out of the semi-lockdown (see III. Exit Strategies and Economic Support).

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** The first known infections with the Corona virus in Belgium appeared at the beginning of February 2020. Since 13 March 2020 Belgium has taken several measures to mitigate the effects of the Coronavirus.

These measures have been implemented in a number of ministerial decrees. The obligatory social distance of 1.5 meter that has to be maintained between people is embedded in a ministerial decree of 23 March 2020.

These strict mitigation measures will remain in place until 3 May, although some may continue to apply during the phased exit beyond that date.

Among others, following measures have a significant impact on employers and employees (see also I. Lockdown Measures Across Europe- Governmental advisories):

- The **compulsory closing** of bars and restaurants and the cancellation of all recreational, cultural and sporting events regardless of their size and nature since 14 March 2020.
- The **compulsory closing** of all shops, stores and markets with the exception of food stores, pet food stores, newsagents and pharmacies as from 18 March 2020;
- For companies which were not obliged to close down, a difference must be made between “**essential companies**” (these are companies rendering essential services or companies that are active in crucial industries) and “**non-essential companies**”.

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Essential companies (listed by the government) must implement telehomework (a new term that was introduced) and rules on social distancing insofar as possible.

Non-essential companies, whatever their size, have the obligation to organize telework for all employees whose job content allows this. Jobs that cannot be performed from home because the job content does not allow telehomework can be performed on company premises or elsewhere, provided the employer takes the necessary measures to guarantee compliance with the rules on social distancing. This means a minimum distance of 1.5m between each person must be ensured. This rule also applies to transport organized by the employer. If these measures cannot be respected, the non-essential companies must close. However, employers can rely on the authorities' support measure of temporary unemployment due to force majeure because of the Coronavirus (see II. Employment issues as a result of the lockdown).

Employers therefore need to organize the work differently and apply 'social distancing' in a workable and effective way.

- **Travelling** by car is only allowed in case of necessity (e.g. commuting). Employees are thus allowed to travel to work, although the use of public transportation is discouraged.
- Lessons have been suspended and **schools** remain open only to provide necessary childcare. The closure of the schools is therefore not in itself a justification for relying on temporary unemployment due to force majeure caused by the Coronavirus for employees with children (see next question), since childcare is provided.
- **Outside activities** are allowed, but with a limited amount of people (maximum 1 person or more for people that live in the same house) and people are however encouraged to stay indoors and must respect social distancing (1.5 meters) when going out with another person.
- Restrictions of **transit at the Belgian borders** (from Belgium and to Belgium) to professional and essential journeys. Additional formalities (e.g. an attestation) may be used by frontier workers for easy border crossing. Non-essential travel abroad is prohibited. The movement of goods and services is allowed to cross the border.
- The **social elections** (for companies that have to organize them), which would take place in May 2020, will be postponed to a later date due to the corona crisis. The current procedure is suspended.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** Yes. The Belgian government wants to avoid dismissals as much as possible (although there is no prohibition to dismiss employees).

Companies that are temporarily unable to employ their employees due to the Coronavirus can call upon the authorities' support measure of temporary unemployment due to force majeure because of the COVID-19 crisis whereby the employees' employment agreements can be temporarily suspended while receiving unemployment benefits from the State. This support measure is applicable until 31 May 2020, but this date can be extended. The employees temporarily receive an increased unemployment benefit (up to 70% of a capped gross salary) and a daily supplementary gross allowance of €5.63 for the duration of this measure.

The Belgian government introduced a uniform and simplified procedure of temporary unemployment for force majeure due to the COVID-19 virus for which almost no formalities apply. The concept of force majeure, has been stretched since any COVID-19 related impact is now temporarily considered to constitute force majeure, even if the reasons are in fact economic (e.g. decrease in work, but no impossibility to work) and/or if part of the employees can continue to work full-time or part-time.

Currently, more than one million Belgian employees have entered into the simplified system of temporary unemployment due to force majeure because of COVID-19. The government has thus succeeded in its intention to make access to the system as easy as possible and to avoid dismissals as much as possible. It remains to be seen what the consequences in terms of unemployment will be once these people are no longer covered by the system.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** As mentioned above, more than one million Belgians rely on the support measure of temporary unemployment due to force majeure because of the COVID-19 virus. The number of temporarily unemployed people has never been so high in Belgium.

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So far, a slight increase in unemployment was also observed in Flanders. However, the many temporary unemployed have not yet been included in the figures. A representative percentage of the rise in unemployment in Belgium therefore remains to be seen.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** The Belgian government announced its exit strategy from the lockdown measures on 24 April 2020. This will take place in 3 phases:

- During the **first phase (a)**, starting on **4 May 2020**, companies from non-essential sectors may reopen, subject to compliance with strict safety regulations. The government has published a generic guide in cooperation with the social partners with recommendations for a safe restart. Working from home remains the norm. Fabric shops may reopen because they are considered to play an important role in the making of mouth masks. Mouth masks will be mandatory on public transport and in companies where social distance cannot be guaranteed. Contact tracing (identifying people who have come into contact with an infected person) starts.
- During the **first phase (b)**, starting on **11 May 2020 (conditional)**, all shops will be allowed to reopen. This will be done subject to conditions (e.g. regarding the organization of work, receiving of customers, and avoiding hustle and bustle in the store) in consultation with the social partners and the sectors. The practice of contact professions (e.g. hairdressers) is not yet permitted in this phase.
- During the **second phase**, starting on **18 May 2020 (conditional)**, primary and secondary schools will partially reopen. Political agreement has been reached on "corona leave" for parents with children under the age of 12 (or 21 in case of disability). Parents will be able to take this leave, in agreement with their employer, between 1 May and 30 June 2020. The leave is not full-time (1/5th in the case of full-time employment).  
In this phase the government will evaluate if contact professions will be able to practice their profession again as well as whether museums can reopen.
- During the **third phase**, from **8 June 2020 at the earliest**, the possibilities and modalities for the possible and gradual re-opening of restaurants and, at a later stage, bars will be examined. Also the possibilities for smaller events and travel will be examined.

All mass events will be cancelled until 31 August 2020.

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***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** Other than the support measure of temporary unemployment due to force majeure because of the Coronavirus (see first question under point II. Employment Issues as a Result of the Lockdown), the public authorities have announced several support measures for companies to date, for example:

- Possibility to spread the payment of several taxes in time;
- For the first and second quarter of 2020, the Coronavirus will be accepted as a factor to grant payment terms for employers' social security contributions;
- Postponement of the payment of employers' social security contributions for the first two quarters of 2020;
- A one-off hindrance premium in Flanders of €4.000 (and €160 per closing day from 6 April) per establishment in the Flemish Region for companies who need to close down entirely;
- A one-off premium of €4.000 from the Brussels Region for the establishment in Brussels if it employs less than 50 full-time equivalents in Belgium (the limit of 50 ETP is per company, not per establishment);
- For a limited period from 24 April to 17 May 2020, companies whose difficulties stem from the measures taken to combat the pandemic are, in principle, protected as executive and conservatory seizure, bankruptcy and judicial dissolution.
- Tax exemption for voluntary overtime (220 hours) in the so-called essential sectors until 30 June 2020;
- Etc.



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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** Yes, the Republic of Bulgaria is in a state of emergency due to COVID-19 announced on 13<sup>th</sup> March 2020. The initial one-month term was prolonged until 13<sup>th</sup> of May.

Most probably a second prolongation of the term will not take place and currently the government prepares a bill on how part of the anti-epidemic measures to remain into force after the state of emergency's abolishment.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction? If yes, please specify:***

**A:** On 26<sup>th</sup> of February the government established the National Crisis Headquarters. The first registered case of a deceased person in Bulgaria is from 8<sup>th</sup> of March 2020. On 13<sup>th</sup> of March (along with the announcement of the state of emergency) and on 20<sup>th</sup> of March the first list of anti-epidemic measures were introduced.

The main measures introduced in Bulgaria so far could be listed as (the list is not exclusive and is valid as at 3rd of May 2020):

- Schools, kindergartens and universities closure – currently it is discussed only kindergartens to be opened soon;
- Closure of shopping centers (malls) except for financial and insurance services, grocery shops and pharmacies therein;
- The visits of entertainment and gaming halls, bars, disco bars, restaurants, fast food, coffee pastry shops, etc. are ceased – open-air areas will be opened again in the beginning of May (gardens, terraces, etc.);
- Work from home (telework and home-based work) requirements where applicable;
- Outside activities are restricted – changed on 20<sup>th</sup> of April and repealed in the beginning of May;
- Non-essential open court hearings ban;
- Vaccination, prophylactic medical treatments and examinations of pregnant women ban – abolished on 20th of April;



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- Specific working time of grocery shops and pharmacies for elderly people only It is forbidden to visit facilities in open and closed public places;
- Mandatory masks wearing – limited on 1st of May for open-air areas;
- Social and sport events (theatre, cinema, fitness halls, concerts, museums, SPA- centers, conferences) – ceased;
- Control on the entrances and exits of the district cities – expected to be abolished after 6<sup>th</sup> of May;
- Ban on the entry of third-country (non-EU) nationals.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown. If yes, please:***

**A:** Yes, the main measures with this regard are:

- employers may unilaterally impose use of up to half of the annual paid leave allowance;
- in case of cease of the activity for which an employee is occupied, the employer may unilaterally impose use of the entire paid leave allowance;
- the employers may unilaterally decrease the working time of all or part of its employees during the state of emergency;
- the financial help provided to employers includes the loans, grant and compensation discussed in.

The effectiveness of the above is very disputable. Even the financial help is not reducing costs in all cases of closed business.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case.***

**A:** The unemployment rate has increased with almost 1% during the state of emergency (the comparison is on an annual basis).

## III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

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**A:** Currently no specific exit strategy is announced. However, the main aim at this stage is partial repeal or alleviation of the anti-epidemic measures gradually and very strict assessment of the effect of this. The first main steps with this regard were taken on 20<sup>th</sup> of April and 1<sup>st</sup> of May.

**Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?**

**A:**

- Granting loans under preferential conditions with main purpose of use – working capital – few different loans are available;
- Postponing terms for payment of already granted credits;
- Grant for micro and small enterprises suffering 20% decrease of the monthly turnover. The amount of the grant is in the range from BGN 3,000 to BGN 10,000 representing 10% of the net monthly sales income of the applicant. The purpose of use of the grant should be working capital.
- 60:40 compensation for employers keeping occupation of their employees

This is payable to employers whose business activity (the entire or part of it) is (i) directly ceased by the state as part of the anti-epidemic measures; or (ii) is affected by the crises and suffers minimum 20% decrease of the sales income. The amount of the compensation is:

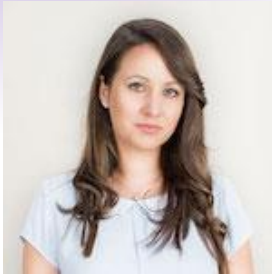
- for full-time employees – 60% of the declared social security income for January 2020 for each employee falling within the applicable criteria and 60% of the social security instalments due by the employer for full working time;
- for employees with decreased working time during the state of emergency – 60% of the social security income and instalments that would be due for the non-worked part of the working time but for not more than four hours.

The state is not paying salaries to employees – these remain due and payable by the employer. The financial support only aims employer's costs partial compensation.

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# BULGARIA

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# CHANNEL ISLANDS - GUERNSEY

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** No.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction? If yes, please specify:***

**A:** Full lockdown (restriction on all social, cultural and group recreational activities, limited recreational activity with strict social distancing measures) came into force on 25th March and ended on 8th April 2020. This also included restricting the community’s movements, closing all non-essential businesses, closing the schools and stopping all non-essential travel. Anyone returning to the Bailiwick was also required to self-isolate for 14 days, regardless of whether they had symptoms of COVID-19.

Limited recreational activities (walking, running, cycling, sea swimming and other open sea activities and recreational fishing) were permitted for up to 2 hours per day with members of your own household, or with one other person from outside of the household whilst maintaining 2m social distancing.

Public park and beaches remained open as places to exercise, with 2m social distancing maintained.

### Phase 1

Definition: Full lockdown with restrictions on all but essential business activities, except retail home delivery.

Phase 1 commenced on 8th April and ended on 24th April 2020. All restrictions as in lockdown remained, but home deliveries for retail items were able to commence. Islanders had to remain in their household bubble for non-work activities.

The release triggers for moving in Phase 2 were:

- Evidence of stable or reducing numbers of new cases numbers following the progression to Phase 1.

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- Evidence of compliance for the majority of islanders to the 'stay at home' message with generally good community engagement.
- The need to consider the broader issues connected to the health and wellbeing of islanders.
- The continued availability of local testing for the virus that causes COVID-19.

The adaptive triggers for reversal to full lockdown include:

- More than 10 cases of unexplained community transmission in the previous 4 weeks.
- The identification of new clusters of infections which pose a significant risk of onward transmission in the Bailiwick.
- Evidence of significant community non-compliance with public health requirements, including maintaining social distancing and hygiene measures.
- If on-island testing to detect the virus that causes COVID-19 was no longer available.
- Hospital admissions for newly diagnosed cases of COVID-19 show an increasing trend.
- Other indicators becoming apparent to Public Health Services indicating sub-optimal containment of the virus that causes COVID-19.

Phase 2 – Currently in place

Definition: Full Lockdown with some gardening, building and other trades now able to work under strict controls. Some limited recreational activity with social distancing measures.

Phase 2 came into force on 25th April 2020, and additional recreational activities were allowed from 2nd May 2020, but still limited to 2 hours per day. More retail businesses were allowed to operate contactless home deliveries, as long as social distancing measures could be maintained. Private pleasure boating and other waterborne activities are permitted, together with flying light aircraft for maintenance and servicing with restrictions.

From 2nd May, household bubbles were allowed to expand into one other. However, this must be a reciprocal arrangement with all parties agreeing to exist in a larger household bubble, with the expanded bubbles only meeting with each other. Social distancing does not have to be maintained for home activities but does for activities away from the household premises. This can include the over 65s, as long as they are aware of the risks and are able to maintain good hygienic standards.

Release triggers for progressing into Phase 3 include:

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- Stable or reducing cases of COVID-19 acquired through unexplained community transmission in a rolling consecutive four week period from the start of Phase 2.
- No new clusters of infections that pose a risk of onward transmission in the Bailiwick for a consecutive four week period from the start of phase 2.
- Hospital admissions for COVID-19 stable or decreasing for a rolling consecutive four week period from the start of Phase 2.
- The continued availability of local testing for the virus that causes COVID-19.

Adaptive triggers for reversal to an earlier Phase include:

- More than ten cases of unexplained community transmission in the previous 4 weeks.
- The identification of new clusters of infection which pose a significant risk of onward transmission in the Bailiwick.
- Evidence of significant community non-compliance with requirements for maintaining social distancing and hygiene.
- If on-island testing to detect the virus that causes COVID-19 was no longer available.
- Hospital admissions for newly diagnosed cases of COVID-19 show an increasing trend.
- Other indicators becoming apparent to Public Health Services indicating sub-optimal containment of the virus that causes COVID-19.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown. If yes, please:***

**A:** The States of Guernsey produce regular coronavirus (COVID-19) updates on the States of Guernsey website.

To assist employers and employees, the States of Guernsey has set up a payroll co-funding and grant system to support certain business sectors, such as hospitality and tourism. The scheme has now been extended to cover those who are self-employed and further business areas, with support being backdated to the beginning of the scheme on 16 March 2020. Under the scheme, the States of Guernsey will fund employees' wages up to 80% of the minimum wage of £8.50 per hour, provided that employers contribute a minimum of 20% of this rate to make it up to the full

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minimum wage rate. Employers can choose to pay more than the 20% minimum, to take into account that some employees will be earning above the minimum wage.

From Monday 4th May the scheme is further extended so that:

- Businesses that see turnover reduce to below 40% of normal levels will be able to apply for up to 100% of minimum wage for employees through the Payroll Co-funding Scheme. This upper threshold will be extended to 50% for those businesses most in need and able to demonstrate that support is still necessary.
- Businesses with turnover in excess of 40% and up to at least 70% of normal levels will continue to be able to apply for up to 80% of minimum wage for employees. Again, this upper threshold will be extended to 80% of normal turnover for those businesses most in need. Businesses that see their turnover improve to above 70% (or 80% in some cases), will continue to be able to continue receiving this support for two further weeks after turnover reaches that level. These businesses will still need to contribute the remaining 20% to their employees' wages.

The scheme, which began on the 16th March is now being extended beyond the original 13 week period, to the 30th June.

The Employment and Social Security department has also set up a hardship fund to help people of working age who need financial support as a result of the coronavirus pandemic. For example, where individuals have been made redundant or are unable to work due to childcare commitments, but do not qualify for unemployment or sickness benefits.

Self-employed people will also now qualify for benefits in some circumstances where they would previously not have done. A further measure is the award of a grant to businesses and the self-employed in certain specified sectors where there are 10 employees or less of a flat sum of £3,000. The States of Guernsey has also finalised a loan guarantee scheme to enable further financial support for Bailiwick businesses, and as of 4 May this has been extended to additional sectors such as legal activity, advocates and intellectual property management, as well as head offices and franchise management.

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In respect of living and working in Guernsey, the Committee for Home Affairs has requested that the Civil Contingencies Authority arrange for the drafting and approval of regulations that will enable individuals holding an employment permit to continue to lawfully remain in Guernsey.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case.***

**A:** There are currently no published statistics.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** Yes, we are currently in Phase 2 detailed under lockdown measures above. The remaining exit strategy is as follows:

#### Phase 3

Definition: Easing of lockdown with a progression towards a more normal level of activity within the Bailiwick.

Office based businesses will be encouraged to continue the majority of activity from home but formal restrictions on the numbers of people permitted in offices may be relaxed further.

Building and other trades may be permitted to return to near normal with certain eased restrictions on social distancing but with hygiene requirements remaining in place. Activities within occupied households by a limited number of tradesmen may be permitted under strict hygiene requirements.

Building wholesale and supply traders may be permitted to return to near normal with certain eased restrictions on social distancing, but with continued phase 2 cleaning and hygiene requirements in place. Premises may be open to the public with restrictions on the numbers of people permitted as currently applied in food retail.

Garden Centres may be permitted to return to near normal with certain eased restrictions on social distancing, but with continued phase 2 cleaning and hygiene requirements in place.



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Other premises and non-essential retail may be able to open to the public with restrictions on the numbers of people permitted as currently applied in food retail.

Takeaway food services may be able to recommence, subject to appropriate public health measures, which will include the number of staff working in the kitchen to 2 people, contactless payment methods etc.

Vehicle servings and sales (including cars, bikes and marine) may be permitted to return to near normal with eased restrictions on social distancing, but with cleaning and hygiene requirements remaining in place.

Factory and warehouse activities may be permitted to return with limits placed on the number of people permissible on a site, with eased restrictions on social distancing but continuation of phase 2 cleaning and hygiene requirements.

Some public venues such as churches, libraries and museums may be permitted to reopen but there will be restrictions placed on the size, duration and nature of gatherings. Other venues where activity is higher risk are unlikely to be permitted to open in this phase.

Recreation time may be increased and consideration will be given to further expansion of the household bubble. Other outdoor sports and outdoor recreational activities with limited social contact may be permitted, but this may be subject to a limit on the number of participants.

More details on Phase 3, including businesses and work-related activities and recreational activities, as well as the release and adaptive triggers can be found in the full framework document.

## Phase 4

Phase 4 represents a further progression towards a more normal level of activity within Guernsey. Further parts of the local economy, including retail and hospitality, hairdressers and beauticians, will be able to function although some restrictions on work practices, gatherings and social distancing will remain in place.

Businesses unable to operate fully or under social distancing restrictions in phase 2 and 3 will be permitted to operate under increased hygiene requirements. Some businesses may include

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elements of construction that require multiple individuals working in close proximity to perform a task. Hairdressers, beauticians and other similar businesses will also be able to operate, with hygiene measures in place.

Retail may be permitted to return to near normal with certain eased restriction on social distancing, but with continued cleaning and hygiene requirements in place. Some business elements may be restricted if they present a particular task (for example changing rooms may be closed, fitting of clothes or activity that requires physical contact will be restricted) and restrictions on the numbers in any premises (customers and staff) will be necessary.

Restaurants, hotels, cafes and pubs serving food will be permitted to open with social distancing and hygiene and cleanliness requirements both in public facing areas and kitchens. Restaurants will need to amend layouts of tables to ensure sufficient and respectable distance achieved. Restrictions on standing at bars within restaurants in line with pre 'lockdown' restrictions. All facilities will be subject to increased hygiene measures in guest rooms and for staff, and contactless payments should be encouraged.

All gyms and leisure facilities will be able to reopen, with additional hygiene and social distancing measures in place.

Public venues, including sports venues, churches and community centres, museums, theatres and cinemas may be permitted to open with restrictions on the size, nature and duration of activities.

Some public gatherings, including social, cultural and sporting events may be able to resume with strict social distancing and hygiene measures in place, and with possible restrictions on the maximum number of people in attendance. This may include congregational services with social distancing.

More details on Phase 4, including businesses and work-related activities and recreational activities, as well as the release and adaptive triggers can be found in the full framework document.

Phase 5

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Phase 5 should be considered a return to a normal level of activity within the Bailiwick (with restrictions remaining in place for travel outside of the Bailiwick) with the final elements of the local economy, including bars and nightclubs, able to function.

Additional hygiene requirements must be in place and social distancing restrictions may be required leading to a cap on numbers (customers and staff) on the premises at any one time

Public venues will be permitted to open but with some restrictions on the size, nature and duration of activities.

In regards to recreational activities, detailed planning on this phase remains limited and may be subject to amendment as events progress. Contact team sports, such as football, rugby, netball, may recommence (NB non-contact fitness training for these sports may be allowed in Phase 4, subject to maintaining suitable social distancing.) Children's playgrounds will be able to reopen.

More details on Phase 5, including businesses and work-related activities and recreational activities, as well as the release and adaptive triggers can be found in the full framework document.

## Phase 6

Detailed consideration will be given to Phase 6 – the Bailiwick's return to global community – in due course, as part of the post-pandemic era. This is likely to only occur when there is a vaccine available or the public health risk assessment indicates that COVID-19 no longer poses a significant threat to the health and wellbeing of islanders.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** See answer under II Employment issues above.

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# CHANNEL ISLANDS - GUERNSEY

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# CHANNEL ISLANDS - JERSEY

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** No.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** Full lockdown as part of the Government of Jersey’s “Stay at Home” instruction (restriction on all social, cultural and group recreational activities, limited recreational activity with strict social distancing measures) came into force on 30 March. This also included restricting the community’s movements, closing all non-essential businesses, closing the schools and stopping all non-essential travel. Anyone returning to Jersey was required to self-isolate for 14 days, regardless of whether they had symptoms of COVID-19.

When the measures first came into effect, limited recreational activities (walking, running, cycling, sea swimming and other open sea activities and recreational fishing) were permitted for up to 2 hours per day with members of your own household. Public park and beaches remained open as places to exercise, with 2 meter social distancing maintained.

As part of the “Stay at Home” instruction, work was to be undertaken from home whenever possible. People engaged in work that was designated as being essential to the safe running of the Island were permitted to travel to and from their place of work when necessary.

However, the Government of Jersey recently revealed its safe exit strategy. Jersey is currently in level 4 lockdown (see full information below at section III), however, from 2 May the restrictions were relaxed to allow an individual:

- to spend up to 4 hours outside the home;
- to spend time outside home doing necessary shopping, for medical needs or providing care, and any form of safe outdoors activity (not just exercise) as long as physical distancing is maintained;
- to spend time outside with people you live with, and up to 2 people you don’t live with as well, as long as physical distancing is maintained with those you don’t live with.

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From 11 May, Jersey will move into level 3 soft lockdown which will provide for greater freedom on personal movement and general business measures (please see section III below for further information).

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** The Government of Jersey produce regular coronavirus (COVID-19) updates on its website: <https://www.gov.je>

The Government of Jersey has announced a payroll co-funding initiative, which is split into two phases. In phase one, which ran from 20 March to 31 March 2020, employers can claim up to £200 per week of its payroll costs for each employee, provided that the employee has been paid at least £320 per week or at least £1,390 per calendar month. For workers earning lower weekly or monthly amounts, there are additional mechanisms for calculating the support that will be provided. Phase one support will only be provided for certain sectors (e.g. hospitality and retail). This funding is available to employers who continue to pay their employees' wages and can demonstrate a drop in turnover of at least 30% between 20 March and 31 March 2020 due to coronavirus.

In phase two, which runs from 1 April to 30 June 2020, the standard scheme will pay 80% of monthly payroll costs for each employee to a maximum of £1,600 per employee. Funding is available to employers who continue to pay their employees' wages and can demonstrate a drop in turnover of at least 30% in the month due to coronavirus. If an employer is unable to bear the full wage costs of its employees as part of the standard scheme, a special exemption can be applied for by making certain declarations confirming that the business has insufficient working capital or cash flow to enable it to meet its ongoing obligations or business costs. Additional business and financial information will be required where an employer applies for a special exemption. Employers will need to make an application each month under the scheme. Certain industries are excluded from participating in phase two of the scheme (e.g. financial and professional services, and large food retailers).

Eligible self-employed workers affected by business disruption due to coronavirus can apply for 80% of their gross average monthly earnings (based on figures declared in an individual's 2019 tax return) up to a maximum payment of £1,600 per month for April, May and June 2020.

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The Government of Jersey has extended the availability of Short-Term Incapacity Allowance where an individual is isolating due to coronavirus. It has also launched the Covid Related Emergency Support Scheme (CRESS) which provides financial support to those who have lost their employment and have less than 5 years' residency in Jersey. The level of support provided is dependent upon whether an individual has been working in Jersey for less than or more than 6 months.

Wider economic measures have also been introduced to help locally established businesses in Jersey, such as deferral of tax and/or social insurance payments.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** There are currently no published statistics.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** Yes, we are currently in level 4 lockdown. Please see the exit strategy below:

#### **Level 4: Lockdown**

##### Isolate

Home [isolation](#) for confirmed cases:

- household/self isolation for people who are symptomatic or who've been in contact with confirmed cases
- self-isolation for anyone arriving into Jersey (unless by very limited exception)

Enforced quarantine for individuals with confirmed or suspected COVID-19 who do not have sufficient capacity to self-isolate effectively, or choose not to do so.

##### Personal movement

Stay at Home order in place. No movements outside home except for essential shopping, medical care, exercise (2 hours per day).

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People extremely vulnerable to severe illness from COVID-19 (those with serious underlying medical conditions) should shield themselves.

People vulnerable to illness from COVID-19 (those with less severe medical conditions and those over 65, see definition on gov.je) are advised to be especially careful when outside the home. They may work, if they agree with their employer that they can do so safely.

From Saturday 2 May:

- you can spend up to 4 hours outside the home.
- you can spend time outside your home doing necessary shopping, for medical needs or providing care, and any form of safe outdoors activity (not just exercise) as long as you maintain physical distancing. You are encouraged to spend time outdoors. Avoid risky activities that may result in accidents and create pressure on health services.
- You can spend your time outside with people you live with, and up to 2 people you don't live with as well, as long as you maintain physical distance with those you don't live with. For the purposes of this scenario, this can be one household plus a maximum of 2 other people.

## Gatherings

No gatherings, marriages by exception, and strict limits on funeral attendance.

From Saturday 2 May:

- You can spend your time outside with people you live with, and up to 2 people you don't live with as well, as long as you maintain physical distance with those you don't live with.
- People should still not meet others inside their own home or go into others' homes for social purposes.

## Education and childcare

All schools and colleges closed, except for children of critical workers. Children under 18 are able to move between the care and households of separated parents, with tailored guidance provided.

## On-island travel



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All forms of on-island transport permitted, with physical distancing and hygiene measures in place.

## Off-island business measures

People should not travel on and off island unless essential (for example, for essential work, medical or compassionate grounds). Upon arrival into Jersey, people must isolate for 14 days unless government permission granted. Information leaflets on arrival. Hand sanitizer should be available and prominent in all entry ports.

## General business measures

Essential work is permitted, with organisations requested to keep staffing at minimum levels and enable working from home wherever possible, with strict physical distancing and hygiene (as above).

Non-essential work permitted in groups of up to 2 people working and travelling together, with strict physical distancing and hygiene.

Any work requiring entry to an occupied private household is discouraged unless absolutely necessary (for example emergency repairs, or caring for a [vulnerable person](#)), with guidelines provided.

## Retail

Essential retailers requested to keep staffing at minimum levels, with strict physical distancing and hygiene. Non-essential retailers required to close. Up to 2 people can work together on premises and in public to enable the business to continue to trade as an online business.

## Legal and financial sectors

Legal sector scheme and financial services scheme apply, defining lockdown restrictions in the sector contexts.

## Construction

Construction sites are able to operate if permitted via the new construction scheme, which requires strict public health measures to be in place. The construction scheme is anticipated to continue throughout each level of the safe exit framework.

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## Hospitality (food, drink and hotels)

Restaurants, cafés, public houses, wine bars and other drinking establishments, or other food and drink establishments including within hotels and members' clubs required to close. Food delivery and takeaway permitted, with delivery preferred while maintaining physical distancing.

## Other leisure business and venues

Non-essential venues / premises where gatherings may occur closed. Further guidance will be issued.

## Level 3: Soft lockdown

### Isolate

Home [isolation](#) for confirmed cases:

- household/self isolation for people who are symptomatic or who've been in contact with confirmed cases
- self-isolation for anyone arriving into Jersey (unless by very limited exception)

Enforced quarantine for individuals with confirmed or suspected COVID-19 who do not have sufficient capacity to self-isolate effectively, or choose not to do so.

## Personal movement

Stay at Home order lifted. People asked to stay home wherever possible including working from home, but no general restriction on time spent outside the household. Strict physical distancing required at all times outside your own home.

People extremely vulnerable to severe illness from COVID-19 (those with serious underlying medical conditions) are encouraged to continue to shield themselves.

People vulnerable to illness from COVID-19 (those with less severe medical conditions) are advised to be especially careful when outside the home. They may work, if they agree with their employer that they can do so safely.

## Gatherings

You can spend time outside with people you live with, and with up to 5 people you don't live with, as long as you maintain physical distance with those you don't live with. Funeral and

# CHANNEL ISLANDS - JERSEY

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marriage guidelines remain the same. People should still not meet others inside their own homes or go inside others' homes for social purposes.

## Education and childcare

Schools to remain closed through to 22 May, Highlands College to 29 May. However, more children of critical workers or requiring additional support will be offered places during this time, with strict physical distancing and hygiene.

## On-island travel

All forms of on-island transport permitted, with strict physical distancing and hygiene. Hand sanitizer should be available and prominent. People are discouraged from ride sharing in private vehicles with people outside their own household.

## Off-island travel

People should not travel on and off island unless essential (for example, for essential work, medical or compassionate grounds). Upon arrival into Jersey, people must isolate for 14 days unless government permission granted. Information leaflets on arrival. Hand sanitizer should be available and prominent in all entry ports.

## General business measures

All outdoor-only work can resume, in groups of up to 5 people working together, with strict physical distancing and hygiene. The provision of high risk recreation services for customers is excluded.

Indoor workplaces:

- businesses should enable working from home as the default operating model wherever that is possible
- businesses can begin to allow some staff to return to working in indoor workplaces in a staged way, following guidelines to ensure strict physical distancing and hygiene.

Work requiring entry to an occupied private household is possible under strict guidelines (for example emergency repairs, or caring for a [vulnerable person](#)). Property viewings are permitted, with strict guidelines.

Businesses must not offer services that involve close personal contact, unless it is an essential service, emergency or urgent situation.

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## Retail

Retail can begin to open, subject to strict physical distancing and hygiene guidelines. People are advised to wear cloth masks in indoor open spaces such as shops and markets (staff and customers). Measures to be introduced to facilitate physical distancing in retail areas.

## Legal and financial sectors

Legal sector scheme and financial services scheme apply, defining lockdown restrictions in the sector contexts.

Retail banking call centres permitted to operate with strict physical distancing and hygiene (as above).

## Construction

Construction sites are able to operate if permitted via the new construction scheme, which requires strict public health measures to be in place. The construction scheme is anticipated to continue throughout each level of the safe exit framework.

## Hospitality (food, drink and hotels)

Restaurants, cafés and other food establishments able to offer a physically-distanced outdoor seated food service can open, subject to guidelines.

Reservation-only service strongly encouraged. Alcoholic beverages may be sold with food, but a drinks-only service not permitted (even if outdoors). Pubs and bars (including those able to offer a physically-distanced outdoor seated service) should remain closed unless they offer meals. Strict physical distancing and hygiene measures required for staff (inside and outside) as well as customers (outside only). Venues to close by 10pm.

Food delivery and takeaway permitted, with delivery preferred while maintaining physical distancing.

## Other leisure business and venues

Indoor non-essential venues / premises where gatherings may occur closed. Further guidance will be issued.

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Some outdoor non-essential venues / premises where gatherings may occur may open subject to guidelines and providing they enable strict physical distancing and hygiene (as above).

## Level 2: Soft opening

### Isolate

Home [isolation](#) for confirmed cases:

- household/self isolation for people who are symptomatic or who've been in contact with confirmed cases
- self-isolation for anyone arriving into Jersey (unless by very limited exception)

Enforced quarantine for individuals with confirmed or suspected COVID-19 who do not have sufficient capacity to self-isolate effectively, or choose not to do so.

### Personal movement

People asked to stay home wherever possible including working from home. Strict physical distancing continues to be required at all times outside your own home.

People extremely vulnerable to severe illness from COVID-19 (those with serious underlying medical conditions) will be provided with information and support to decide how to balance wellbeing and shielding.

People vulnerable to illness from COVID-19 (those with less severe medical conditions) are advised to be especially careful when outside the home. They may work, if they agree with their employer that they can do so safely.

### Gatherings

You can spend time outdoors with people you live with only, or with up to 10 people you don't live with, as long as you maintain physical distance with those you don't live with. Funeral and marriage guidelines remain the same. People should still not meet others inside their own homes or go inside others' homes for social purposes.

### Education and childcare

A detailed plan for the opening of schools, colleges and nurseries is under development. It will be staged to align to levels 2 and 1 of this framework, and responsive to businesses opening.

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## On-island travel

All forms of on-island transport permitted, with strict physical distancing and hygiene. Hand sanitizer should be available and prominent. People are discouraged from ride sharing in private vehicles with people outside their own household.

## Off-island travel

People are permitted to travel on and off island as and when commercial travel becomes available.

Requirement to isolate upon arrival will be reviewed. Information leaflets on arrival. Hand sanitizer should be available and prominent in all entry ports.

## General business measures

Businesses should enable working from home as the default operating model wherever that is possible.

Businesses with evidenced mitigation plans can re-open fully, maintaining strict physical distancing and hygiene (as above) and following sector-specific guidance.

Work requiring entry to an occupied private household is possible under strict guidelines (for example, emergency repairs, or caring for a [vulnerable person](#)). Property viewings are permitted, with strict guidelines.

Healthcare and dental practices may resume, following professional body guidelines.

Other services that involve close personal contact may begin to open where they are able to follow strict sector-specific guidelines (for example, hairdressers, barbers, beauty and nail salons, including piercing and tattoo parlours, laser and cosmetic clinics delivering non-essential cosmetic treatments).

## Retail

All retail permitted to open, subject to strict physical distancing and hygiene guidelines. People are advised to wear cloth masks in indoor open spaces such as shops and markets (staff and customers). Measures to facilitate physical distancing in retail areas maintained.

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## [Legal and financial sectors](#)

General business measures apply.

## [Construction](#)

Construction sites are able to operate if permitted via the new construction scheme, which requires strict public health measures to be in place. The construction scheme is anticipated to continue throughout each level of the safe exit framework.

## [Hospitality \(food, drink and hotels\)](#)

Restaurants, cafés and other food establishments able to offer a physically-distanced indoor or outdoor seated food service can open, subject to guidelines.

Reservation-only service strongly encouraged. Alcoholic beverages may be sold with food, but a drinks-only service is not permitted (even if outdoors). Pubs and bars should remain closed unless they offer meals. Strict physical distancing and hygiene measures required for both staff and customers. Venues to close by 10pm.

Food delivery and takeaway permitted, with delivery preferred while maintaining physical distancing.

## [Other leisure business and venues](#)

Libraries, community centres, youth centres, places of worship, museums and galleries, cinemas, theatres and concert venues, arcades and bowling alleys can open, with strict physical distancing and hygiene.

Business premises of services that involve close personal contact may open, where they are able to follow strict sector-specific guidelines.

## [Level 1: Physical distancing](#)

### Isolate

Home [isolation](#) for confirmed cases:

- household/self isolation for people who are symptomatic or who've been in contact with confirmed cases
- self-isolation for anyone arriving into Jersey (unless by very limited exception)

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Enforced quarantine for individuals with confirmed or suspected COVID-19 who do not have sufficient capacity to self-isolate effectively, or choose not to do so.

## Personal movement

Strict physical distancing continues to be required at all times.

People extremely vulnerable to severe illness from COVID-19 (those with serious underlying medical conditions) will be provided with information and support to decide how to balance wellbeing and shielding.

People vulnerable to illness from COVID-19 (those with less severe medical conditions) are advised to be especially careful when outside the home. They may work, if they agree with their employer that they can do so safely.

## Gatherings

You can spend time outdoors with people you live with only, or with up to 25 people you don't live with, as long as you maintain physical distance with those you don't live with. Funeral and marriage guidelines remain the same. Sports events may resume under controlled circumstances with no spectators. Small gatherings of up to 10 (including adults and children) allowed in private homes.

## Education and childcare

A detailed plan for the opening of schools, colleges and nurseries is under development. It will be staged to align to levels 2 and 1 of this framework, and responsive to businesses opening.

## On-island travel

All forms of on-island transport permitted, with strict physical distancing and hygiene. Hand sanitizer should be available and prominent.

## Off-island travel

People are permitted to travel on and off-island. Requirement to isolate upon arrival will depend on risk level in the origin people have travelled from. Information leaflets on arrival. Hand sanitizer should be available and prominent in all entry ports.



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## General business measures

Businesses can begin to step down working from home as the default operating model as required.

Businesses should maintain physical distancing and hygiene. Businesses offering services that involve close personal contact should continue to follow professional and sector-specific guidelines.

## Retail

All retail permitted to open, with strict physical distancing and hygiene. People are encouraged to wear cloth masks in indoor open spaces such as shops and markets. Measures to facilitate physical distancing in retail areas maintained.

## Legal and financial sectors

General business measures apply.

## Construction

Construction sites are able to operate if permitted via the new construction scheme, which requires strict public health measures to be in place. The construction scheme is anticipated to continue throughout each level of the safe exit framework.

## Hospitality (food, drink and hotels)

Businesses able to offer a physically-distanced seated service can reopen, including pubs and bars, subject to guidelines. All pubs, bars, restaurants and night-time venues to close by 10pm.

Strict physical distancing and hygiene measures required for both staff and customers. Where this is not possible, the business should remain closed.

Food delivery and takeaway permitted, with delivery preferred while maintaining physical distancing.

Hotels, hostels, B&Bs, boarding houses, lodging houses, self-catering vacation accommodation, caravan parks and campsites can open, subject to guidelines.

## Other leisure business and venues

All venues permitted to open, with strict physical distancing and hygiene.

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***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** See answer under II Employment issues above.

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** Although Croatia, as well as the whole world, is currently in an exceptional situation which we have not witnessed so far, caused by the COVID-19 pandemic, the State has not declared a state of emergency in a sense of Article 17 of the Constitution according to which in the case of major natural disasters (such as a COVID-19 pandemic), certain freedoms and rights guaranteed by the constitution may be restricted. Instead the situation is being resolved within the scope of application of existing laws. In that regard, the Civil Protection Headquarters of the Republic of Croatia is the main body for the implementation of pandemic measures and decisions.

Based on the Civil Protection Act and starting as of 19 March 2020, the Civil Protection Headquarters has adopted several decisions introducing a series of measures aimed at preventing the spread of new COVID-19 infection. A temporary ban on the movement of persons across border crossings is also in force. The measures affecting the regular business operations of the business entities were adopted by the Civil Protection Headquarters and they included, among others: Decision on the Measure of Strict Restriction of Restraint on Streets and Other Public Places (Official Gazette 34/20), Decision on Prohibition of Abandonment Place of Residence and Permanent Residence in the Republic of Croatia (Official Gazette 35/20, 39/20, 44/20) and Decision on Temporary Suspension of Public Transport (Official Gazette 34/20).

The restriction measures were initially introduced for a period of one month starting on 19 March 2020. Some were extended until 27 April 2020, 4 May 2020 or 11 May 2020 and some have been modified and are expected to be abolished in the near future. Although we cannot state with complete certainty, we may assume should the epidemiological situation continues to be favorable; the most of the restrictive measures should not exceed 1 June 2020 at the latest.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** The very first COVID-19 case in Croatia was registered on 25 February 2020 while the restraining measures were introduced on 19 March 2020. The very first decision with significant impact on Croatian economy, adopted on 19 March is Decision on the Measures of Limiting Social Gathering, Working in Trade, Services and Maintaining Sports and Cultural Events. The anti-epidemic measures required by this Decision are ban on holding of all public events and gathering of more than 5

people at one place, suspension of trade activities except specific specialized stores (e.g. pharmacies, food and hygiene items stores). Service activities in which close contact with customers is inevitable (e.g. hairdressers, beauticians, barbers) were also suspended. All schools, kindergartens and universities were closed for the period of one month. In addition to that, all public transport, intercity and interregional is closed. The most significant measures and restrictions are as follows:

- (i) state borders closure;
- (ii) ban on leaving the place of residence;
- (iii) schools and universities closure;
- (iv) non-emergency access to public healthcare restrictions;
- (v) shops closure and business closure except pharmacies, food and hygiene items stores;
- (vi) outside activities restrictions (parks and public recreation areas closure);
- (vii) ban on social and sports events;
- (viii) work from home requirements;
- (ix) non-essential open court hearings ban.

The Covid-19 pandemics has caused major difficulties in the Croatian economy and day-to-day functioning. These measures undoubtedly affected all sectors of the economy. For example, small traders are banned from performing their business activities, but still obliged to pay their regular costs, such as lease for business premises, taxes etc.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** The Government has introduced a great number of measures to help employers. Since 19 March 2020 the Government has adopted 2 packages of measures to help the economy in the wake of the COVID-19 pandemics, and a large part of the measures is related to the preservation of the liquidity and jobs of entrepreneurs. On 3 April 2020 the prime minister of Croatia has announced a third comprehensive package of measures for Croatian workers and the economy.

As the most significant measure we would like to point out the Support for preserving jobs in activities affected by the COVID-19 pandemic. Since 23 March 2020, implementation of support for job retention has started due to the special circumstances caused by the COVID-19 pandemics and

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through this measure the state has taken over the payment of the gross minimum wage to those employers who are not laying-off their workers.

Furthermore, in order to maintain the liquidity of the companies, the Ministry of Finance proposed an interest-free deferral of payment and / or installment payment of tax liabilities incurred during and due to special circumstances. The installment payment of tax liabilities will be prescribed in situations of necessary stabilization of business after the cessation of extraordinary circumstances and will also be settled without interest calculation.

As part of the support measures, it is proposed to introduce a stand still arrangement by commercial banks, i.e. to suspend forced collection measures against all debtors over a period of three months, during which time regular interest and statutory interest will continue to accrue. Additional measure is the possibility of new loans for liquidity and working capital of up to three years.

The Decision on the postponement of the payment of rent, fees for a long-term lease, fees for a long-term lease for ponds, concession fees and a fee for temporary use for agricultural land owned by the Republic of Croatia (Official Gazette No. 31/20) provides concessionaires and lessees deferred obligation with respect to payment of the contractual rent, i.e. compensation for 2020, for three months.

Even though, the Government is determined in trying to reduce the damage caused by the COVID-19 pandemic by the enacted measures, the success of these measures cannot be estimated at this time.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** The unemployment rate has increased due to the COVID-19 pandemics impact on Croatian economy. Since the COVID-19 crisis began, more than 24,000 people have been unemployed in Croatia. According to the available data, the unemployment rate in Croatia was 6.2% in February and rose to 8.6% in March 2020.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** The exit strategy in Croatia is designed through three phases of constraint reduction. The first phase of the loosening of the measures started on 27 April 2020 when all trade activities, except for those operating inside shopping centers, were made possible. Since then, city and suburban and high-speed lines have been restarted, and libraries, museums, galleries, antiques and bookstores have been opened. As of 4 May 2020, the second phase of epidemiological loosening begins, which envisages the gradual reactivation of the health system and the commencement of activities in close contact, such as hairdressers, razors and pedicures, and gradually normalizes the work of the public health system as well as the private health system, but with respect for specific epidemiological measures. In addition, public playgrounds have been open.

In the third phase of loosening of the measures, which should start from May 11, it is possible to gather up to 10 people in one place, respecting the measures of physical distance, and the work of shopping centers, respecting special epidemiological measures.

The work of preschools and classes from 1st to 4th grade of primary school is also possible, as well as special classes and work with children with disabilities who have a teaching assistant. Students can take laboratory, art and clinical exercises and practice in small groups.

It is also envisaged to introduce inter-county transport lines and domestic air transport lines and to open catering facilities exclusively on outdoor areas and terraces. Catering facilities in accommodation facilities would be open only to users of accommodation services; national and nature parks would be opened.

Any further measures and decisions on the abolition of restrictive measures and the introduction of the “new normal” are not known at this time.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** A large number of measures and grants were already implemented regarding tax and other reliefs to help the economy through two packages, and furthermore, the prime minister has announced the adoption of a third package of aid measures. The most significant measures relate to various deferrals, moratoriums on loans, minimum wage support, etc. The impact of these measures to the Croatian economy is yet to be evaluated.

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** Emergency measures were first introduced in Cyprus on the 11<sup>th</sup> of March 2020 implementing certain restrictions towards fighting the COVID-19 pandemic and then the introduction and implementation of subsequent measures by virtue of Government decisions restricting entry into the country and movement within the Republic of Cyprus until the 30<sup>th</sup> of April 2020. Following a recent announcement by the President of the Republic of Cyprus on the 29<sup>th</sup> of April 2020, the measures were extended with modifications and divided into separate phases. The first phase is to take effect between the 4<sup>th</sup> to the 21<sup>st</sup> of May 2020. The second phase will begin as of the 1<sup>st</sup> of June for a period to be determined.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** Measures were first introduced in our Jurisdiction on the 11<sup>th</sup> of March 2020, following the first reported cases on 9<sup>th</sup> of March 2020. The current measures have been put in place up until midnight of the 30<sup>th</sup> of April 2020, however, the President of the Republic of Cyprus announced on the 29<sup>th</sup> of April that new measures will be in force as of the 4<sup>th</sup> of May until 21<sup>st</sup> of May 2020.

As regards the list of the most significant measures:

- a) **land borders closure** – Any travel to and from the occupied area is prohibited until a Government decree has been made to the opposite effect.
- b) **non-essential movements in and outside the country ban** – all entries from flights into the Republic of Cyprus are prohibited except for flights with the purpose of transport of cargo, flights without any passengers for the purposes of transporting persons who wish to leave the Republic of Cyprus, repatriation flights of Cypriot nationals who are studying abroad, Cypriot nationals who have temporarily travelled abroad for work purposes and whose work has been suspended or terminated due to the coronavirus, Cypriot nationals who have travelled abroad for medical purposes, and flights which are considered to be necessary for humanitarian/ambulance purposes. All of the above are subject to the approval of the Minister of Health and upon acquisition and presentation of a health certificate acquired abroad from health institutions. Persons arriving from



abroad will undergo mandatory quarantine for 14 days at facilities selected by the Republic. Those requiring medical help may instead self-isolate at home subject to the approval of the Health Minister. All arrivals will undergo mandatory COVID-19 tests.

As regards movement within the country, until the 30<sup>th</sup> of April, citizens could only move once a day (unless for work purposes) subject to sending an SMS to the relevant Government number for the purposes of going to the supermarket, pharmacy or doctor, physical exercise or walking the dog within the neighbourhood of residence, travelling to the Bank, helping out a family member in need of assistance not capable of taking care of themselves or any other situation which can be deemed as an emergency, all within a reasonable timeframe. By virtue of the recent announcement of the President of the Republic of Cyprus, these measures have been amended so as to allow citizens to carry out the above restricted movements up to three times a day and from 06:00 to 22:00, and the complete removal of these travel restrictions as of the 21<sup>st</sup> of May 2020.

- c) **schools and universities closure** - at the moment, all schools and universities, whether private or public, have closed, however classes and curriculums continue to be conducted online from home via video calls. Giving priority to the need for necessary preparation of graduate students in private or public middle school education, they will be returning to their school units as of the 11<sup>th</sup> of May 2020, while the return of students of all other degrees of education shall continue to follow the practice of online classes via video calls until an official decision has been made effecting the full operation of the school units.
- d) **mandatory masks wearing** – with the introduction of the new measures with effect as of the 4<sup>th</sup> of May which provides for the reopening of many private and public businesses, the wearing of masks is mandatory to those private and public businesses which deal with the public. For members of the public seeking the services of private or public businesses, it is not mandatory to wear masks.
- e) **work from home requirements** – businesses, whether or not they were forced to suspend their operations, have the option to ask their employees to work from home, provided that they provide them with the necessary access and equipment to do so. Further, any person who was considered to fall within the definition of “vulnerable persons”, as provided for in previous decrees of the Ministry of Health, they had to be isolated from the workplace and work from home where this was possible, and if this was

not possible they could apply for Special Sick Leave. However, following the recent announcement by the President of the Republic of Cyprus, a further distinction of groups has been made in relation to vulnerable persons, whereby the first group of vulnerable persons may return to their work place, provided that they are not in contact with members of the public and they are not exposed to a high number of persons coming in and out of the work place, while the second group of vulnerable persons are those with more serious health conditions who must continue to work from home.

- f) measures in the work place** – amongst many guidelines for ensuring the safety of employees within the workplace, some of the most important are that there should be sufficient access to antiseptic and soap for washings hands, opening windows so that there is a circulation of fresh air, maintaining the separation of employees of at least 2 meters between each other, maintaining an area of 8 square meters per employee, avoiding the operation of any air-conditioning system, having available all necessary cleaning supplies, separating persons who fall within the definition of vulnerable persons and providing the necessary access and equipment for them to work from home, ensuring that all necessary equipment is available for video/phone communications with clients or any other persons in order to avoid physical contact, restricting access to the workplace of persons that are not employees, etc.
- g) non-essential open court hearings ban** – up until the 30<sup>th</sup> of April, any non-essential hearings were postponed, however as of the 4<sup>th</sup> of May court hearings will once again resume subject to the mandatory requirement of wearing a mask and not operating any air-conditioning systems. For first appearances, dates will simply be given by the Courts and then received from the Court Registrar without having to personally attend. Additionally, as of the 4<sup>th</sup> of May the Court Registrar shall resume its normal operations and will be able to receive applications and swear affidavits.
- h) outside activities restrictions (parks and public recreation areas closure)** – until the 30<sup>th</sup> of April the only outside activities that were permitted, for no more than two persons, were physical exercise or walking the dog within the neighbourhood of residence, once a day for a reasonable period of time. Access to parks and recreational areas for these purposes was strictly prohibited. Following the recent announcement by the President of the Republic of Cyprus, as of the 4<sup>th</sup> of May 2020, the possibility for these activities of walking/running/cycling on sidewalks, or sidewalks within parks, with the additional

option of swimming in the sea, has increased to three times a day between 06:00-22:00 as long as it does not exceed two persons. Parks, play areas and other open areas will remain closed until the 21<sup>st</sup> of May 2020 and once they reopen, no more than 10 people may be present at the same time.

- i) **social and sports events** – All sports events have been cancelled or postponed until the relaxation of the imposed measures. However, following the recent announcement by the President of the Republic of Cyprus, as of the 4<sup>th</sup> of May 2020, in relation to sports events, for use of open areas or open sporting facilities for high performing athletes that are included on the list of the Cyprus Olympic Committee. Furthermore, training of team sports will be allowed only in open areas and in accordance with the Protocols that will be issued by the Ministry of Health. The use of changing rooms, gyms and other closed areas continues to be prohibited.

In relation to social events, following the Decree of the Minister of Health on the 23<sup>rd</sup> of March 2020, all social events had to be cancelled except for marriages, baptisms and funerals of first and second degree relatives, however, not exceeding 10 persons. Additionally, following the recent announcement by the President of the Republic of Cyprus, as of the 4<sup>th</sup> of May 2020, people may attend church or other places of worship to pray, as long as there are not more than 10 people at a time. Further, as of the 1<sup>st</sup> of June 2020, churches and other places of worship will continue to operate normally, subject to strict adherence to the health and safety protocols that will be determined by the Ministry of Health.

- j) **shops closure and business closure** – By virtue of a Decree by the Ministry of Health on the 15<sup>th</sup> of March, almost all shops and businesses which deal with the public have been suspended. Only banks, supermarkets, bakeries, kiosks and certain departments of the government remained in operation while applying strict measures of health and safety, as these were deemed as essential services. The only other shops which have remained operational which deal with the public, are those which can provide the option of delivery/takeaway/drive-through (e.g. cafes, restaurants). For all other private businesses which do not directly deal with the public, have the option whether to close and suspend their businesses.

However, following the recent announcement by the President of the Republic of Cyprus, as of the 4<sup>th</sup> of May 2020, all retail businesses, travel and tourist offices, markets, street vendors and bazaars may reopen and resume their operations subject to the strict health and safety protocols to be imposed by the Ministry of Health, except for the malls/shopping centres/department stores. As of the 21<sup>st</sup> of May the hair salons/barbers and beauty parlours may reopen for business and as of the 1<sup>st</sup> of June organised beaches, ports, libraries, archaeological sites, museums, historical monuments and bet shops can reopen and resume operations, always subject to the strict health and safety protocols to be imposed by the Ministry of Health.

- k) non-emergency access to public healthcare restrictions** – public and private healthcare institutions shall reopen as of the 4<sup>th</sup> of May 2020, subject to arranging an appointment with the doctor. Also, all dentists shall open and resume normal operation.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** Official schemes have been implemented to help employers keep the employment rate the same as before the lockdown, however, as analysed below in the second Question of Section III, in order to avoid lay-offs of employees and to prevent the increase of the unemployment rate.

Additionally, certain businesses have provided the option to their employees to work from home where possible and/or on a rotation basis, or to work less hours with a reduced salary.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** As stated by the Minister of Labour in a press conference on the 30<sup>th</sup> of April 2020, the unemployment rate has not significantly differed as the Schemes for economic support of businesses, as outlined below in the second Question of section III, have been introduced in order to avoid lay-offs of employees and to prevent the increase of the unemployment rate.

## III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** Yes. The government's exit strategy is reflected in the relaxation of the measures announced on the 29<sup>th</sup> of April, which will occur in 4 phases, as explained above.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:**

- 1) Partial Business Suspension Plan** – A business which temporarily suspends its operations can participate in this scheme if it has suffered a reduction of turnover beyond 25% during March 2020 and anticipates a corresponding reduction of its turnover beyond 25% for April 2020, in comparison to the same months of the previous year and the turnover reduction has occurred exclusively as a consequence of COVID-19. Another major requirement for the participation of businesses in this scheme is that, no lay-off of any employee of the business must have occurred since the 1<sup>st</sup> of March 2020 nor throughout the duration of the period in which the scheme remains in force, if the business participates in the scheme, nor for an additional period equal to the participation of the business in the scheme plus one month. Businesses will have to declare 60-75% of the total number of their employees (depending on the total number of employees) in order to receive a special unemployment subsidy of approximately 60% of their salary, for as long as the business is suspended, with the maximum amount not exceeding €1.214 per month. The employer will be exempt from the obligation to pay the salaries of employees whom receive the special unemployment subsidy, but will nevertheless have the option to employ persons whom receive the special unemployment subsidy and to pay the difference of their salary and any social security that corresponds to the additional amount paid by the employer. If an employee carries on to work the same hours of his employment as before the lockdown, the employer is obliged to pay the difference so as to cover the full salary of the employee. Omission of this obligation constitutes a criminal offence.
- 2) Full Business Suspension Plan** – A business which completely suspends its operations (other than purely administrative ones which are essential to the business) can apply for participation in this scheme. One major requirement for the participation of businesses in this scheme is that, no lay-off of any employee of the business must have occurred since the 1<sup>st</sup> of March 2020 nor throughout the duration of the period in which the scheme remains in force, if the business participates in the scheme, nor for an additional period equal to the participation of the business in the scheme plus one month. Businesses will have to declare

the total number of their employees for which a special unemployment subsidy is requested – if there are nine or less employees then all will receive the subsidy, whereas if there are more than nine employees then 90% of the employees will receive the special unemployment subsidy. The employer will be exempt from the obligation to pay the salaries of employees who receive the special unemployment subsidy. The special unemployment subsidy will amount to approximately 60% of their salary, for as long as the business is suspended, with the maximum amount not exceeding €1.214 per month.

- 3) Special Subsidy for Self-Employed Persons** – Self-employed persons can only apply for the special subsidy if they have completely suspended their operations or if they have partially suspended their operations and have suffered a reduction of turnover beyond 25% during March 2020 and anticipate a corresponding reduction of their turnover beyond 25% for April 2020, in comparison to the same months of the previous year and the turnover reduction has occurred exclusively as a consequence of COVID-19.
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# CZECH REPUBLIC

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** With effect from 12 March 2020, the Government of the Czech Republic has declared a **state of emergency** due to health threats related to the presence of coronavirus in the Czech Republic. **The state of emergency was twice extended and shall last until 17 May 2020.**

The Government is entitled to restrict personal rights during the state of emergency and impose certain obligations. It is possible to order evacuation of persons and property from a designated area, prohibit entry, stay and movement in designated areas, to impose work assistance or obligation to provide material means to deal with a crisis situation etc. Declaration of state of emergency enabled centralised purchases of protection means by the state and their distribution in the whole country.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** As of 24 April 2020, free movement of people outside is possible for groups of up to 10 people. The limitation does not apply to household members, pursuing a profession, entrepreneurial or other similar activities, participation in funerals. Keeping distance of at least 2 meters from other people is necessary.

The first three COVID-19 official registered cases were confirmed on 1 March 2020. Shortly afterwards, on 3 March 2020 a ban on exports of protective equipment (respirators, disinfection) was issued. In the week from 7 March 2020 the state ordered obligatory quarantine for people arriving from Italy and on 11 March 2020 closed the schools. As of 12 March 2020, a state of emergency was declared; i.e. 11 days passed since the first COVID-19 official registered case.

Initially, there were only a few patients with virus detected all of whom arrived to the Czech Republic from abroad, mostly from Italy. Later, the virus started to spread in further population, this fact triggered the governmental measures. These measures are referred to as “crisis or emergency measures” and included land borders closure, mandatory quarantine after crossing borders (with exceptions), ban on non-essential movements in and outside the country ban, schools and universities closure, ban on retail sale and sale of services (with the exception for e.g. grocery stores or pharmacies), ban on sales of accommodation services (with the exception for e.g. sale and providing the accommodation services to persons for the purpose of pursuing a profession, entrepreneurial activity or other similar activity), ban on social and sports events. Obligation to wear mandatory protective masks



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was introduced (with the exemption of e.g. while driving a car with members of one household or for bus drivers who are separated from passengers by a separate cabin).

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** The Ministry of Labour launched so called "Program Antivirus" which aims to help companies to protect jobs, to keep employees. Under the programme, the employers are entitled to apply for contributions to wage compensations paid to employees from 12 March 2020 until the end of May 2020. There are 2 regimes of state contributions for the employers may apply:

### **Regime A**

- a) Quarantine of employees ordered by a competent authority

In this case, employees are entitled to wage compensation in the amount of 60% of their average reduced earnings for the first 14 days of the quarantine.

- b) Closed or limited business operations on the basis of the crisis measures or extraordinary measures implemented by the state

If the employer was ordered to close its business operations or its business operations are limited on the basis of the government's resolution on adopting crisis measures or the extraordinary measure taken by Ministry of Health or regional hygiene stations in connection with the occurrence of COVID-19 and the employer cannot assign work to its employees, the employees shall be entitled to wage compensation in the amount of 100% of their average earnings.

Under Regime A the employer shall receive a contribution from the Labour Office in the amount of 80% of the wage compensation paid (deductions including). The maximum contribution per the employee shall be CZK 39,000.

### **Regime B**

- a) Obstacles to work on the part of the employer due to the ordered quarantine or due to the need for childcare (or even in situation when employees cannot come to work, including foreigners) for a significant proportion of employees

In this case, employees are entitled to wage compensation in the amount of 100% of their average earnings.



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- b) Limited availability of inputs (raw materials, products, services) necessary for the employer's activity

In this case, employees are entitled to wage compensation in the amount of 80% of their average earnings.

- c) Partial Unemployment - Limited demand for the company's services, goods and other products

Employees (for the period of non-work) are entitled to wage compensation in the amount of at least 60% of their average earnings.

Under Regime B the employer shall receive a contribution from the Labour Office in the amount of 60% of the wage compensation paid (deductions including). The maximum contribution per employee shall be CZK 29,000.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** According to the Minister of Labour and Social Affairs, a slight rise of unemployment rate to 3.4% is expected to happen in April (in March the unemployment rate was 3%).

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** Yes, the Czech Republic is slowly releasing the restrictions applied on businesses operations. The process started on 20 April 2020 and the last group of business to completely re-open on 25 May 2020 are theatres, cultural and sporting events, zoological gardens, restaurant and hotels. However, changes to release plan are being discussed, depending on the situation in the Czech Republic. Obligation to wear protective masks (with exceptions) persists.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:**

- **Programme Antivirus** – already mentioned above
- **State “carer’s” or “nursing” allowance for employees and entrepreneurs nursing a child or a family member** – existing state allowance for employees taking care for a child or other family member

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was extended and a new contribution similar to the allowance was introduced also for natural persons – entrepreneurs (contractors);

- **Compensation Bonus for self-employed persons whose business was negatively affected in connection with coronavirus** - paid by the tax authority upon receipt of the application. It is paid as a lump sum up to CZK 25 000, i.e. CZK 500 for each day of the bonus period in which the self-employed person has met all the conditions for awarding the bonus. The first bonus period lasts from 12 March to 30 April 2020; an extension for second bonus period, from 1 May to 8 June 2020 was approved.
  - **The Ministry of Industry and Trade in cooperation with the Czech-Moravian Guarantee and Development Bank, a.s. and other entities prepared several programs aimed at supporting entrepreneurs** whose business activities were limited due to the occurrence of coronavirus infection and related preventive measures – such as **loan programme COVID I** (an interest-free loan for operating financing) or a **bank guarantee provisions programmes COVID II** and **COVID Prague**. All of the funds available were quickly exhausted, thus further programmes are being discussed.
  - **Further measures:** postponement of certain taxes payment and deadlines for submission of certain tax returns, support for executives and shareholder/members of one-member or two-member limited liability companies, measures concerning lease, loans, travel agencies and many others.
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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** Yes and no, a declaration has not been formally proclaimed as Denmark has no specific state of emergency legislation implemented in the constitutional framework, instead Denmark relies on "regular" bills of law presented to the Parliament in case of emergencies.

Nevertheless, a statement giving the feeling of a so-called state of emergency was presented on 11 March 2020, when the Prime Minister of Denmark, Mette Frederiksen, at a press conference announced severe precautionary measures to combat the COVID-19 epidemic. The day after this announcement, the Danish Parliament rushed through an amendment to the Danish Epidemic Act. The adopted emergency law (the "Act") extensively expands the powers of public health authorities by giving the Minister of Health authorization to implement far-reaching measures to prevent the spreading of COVID-19. The Act may impose – inter alia – restrictions on assemblies, restricted/prohibited access to business premises and limited access to public institutions, outdoor areas, and public transport.

The Act entered into force on 17 March 2020. Since then, additional amendments imposing restrictions have been passed, and the Act has been subject to implementation in various ways in a number of executive orders. The Act will remain in force until at the latest 1 March 2021, when it will automatically expire under a so-called sunset clause.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** Yes, as part of the efforts to limit the spread of COVID-19 in Denmark, the Government and the authorities have taken a number of measures to reduce social contact, maintain social distancing and increase the effect of social distancing. The first recommendations on behaviour and measures against COVID-19 were issued by the Government shortly after the first official case in Denmark was registered on 27 February 2020.

On 11 March 2020, more stringent orders were introduced by the Government, such as initial lockdown steps, starting from 13 March 2020:

# DENMARK

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- i) Non-essential employees in the *public sector* were ordered to stay home from work;
- ii) Employers in the *private sector* were urged to let employees work from home;
- iii) Day-care services, schools, universities, courts and tribunals, recreational facilities, etc. were required to close.

In the subsequent period, further restrictions and prohibitions were added to the list of confining initiatives. Most noteworthy initiatives:

- Entry restrictions and border control;
- Forced closure of certain businesses (restaurants\*, pubs, shopping centres/covered arcades, sport and leisure facilities, liberal professions with close client contact, etc.);
- Gatherings and events of more than 10 people are banned\*\*

\*restaurants and cafes are allowed to stay open for takeaways, while maintaining social distancing rules.

\*\*the ban does not apply in private homes and does not prevent more than 10 people from being present at the same place in a usual way (e.g. at work, in a supermarket, at an airport or a train station).

However – due to only a few new cases of infection and a decrease in the number of hospitalized patients – Denmark commenced the first phase of a cautious, gradual and controlled reopening of the society on 14 April 2020, cf. section III. According to recent governmental announcements, many initiatives will be in force at least until 10 May 2020, 23.59 PM. Most important measures to highlight in this respect are:

- Public employees not performing critical functions are still ordered to stay home from work;
- Gatherings and events of more than 10 people are still prohibited;
- Border control and entry restrictions remain in force;
- Danish citizens are advised against all but essential travels abroad;

- A large number of shops and institutions are still forcibly closed (classes 6-10 in schools, universities, public cultural institutions, shopping centres, restaurants/cafés, most sport facilities etc.).

It is expected that the Government will ease some (and extend others) of the above-mentioned limitations in the second phase of the reopening, presumably starting on 11 May 2020. Nevertheless, this is still being considered and the only thing that has been officially released to the public is a ban on large events with 500+ participants, which will exist at least until the expiry of August 2020.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** The Danish Government and a unanimous Danish Parliament have passed a bill aimed at supporting Danish trade and industry as well as Danish employees and reducing the pressure on the liquidity of Danish businesses. Various measures have been introduced in aid packages, including the following:

- Compensation of overhead costs: Businesses can have 80 % of their overhead costs covered by compensation. The businesses are compensated based on the decrease of their revenues.
- State-guaranteed bank loans for businesses: Businesses affected by COVID-19 can apply for state guaranteed bank loans.
- The rules of sick pay are temporarily changed, which means that the municipalities refund sick benefits to the businesses from the first day an employee is sick with COVID-19, instead of from the thirtieth day.
- A more flexible work-sharing arrangement is introduced. The arrangement entails that businesses can order the employees to work shorter hours, in which case the employees can receive supplemental unemployment benefits.

# DENMARK

- Salary compensation scheme, for private companies facing to notify redundancies of i) at least 30 per cent of the total staff or ii) more than 50 employees. Partial salary compensation from the State is 75% (salaried employees) or 90% (non-salaried employees) of the total monthly wage expenses, capped at DKK 30,000 per full-time employee.

The company must send home the affected employees with full salary. Employees may not perform any work in their lay-off period. The company is obliged to not dismiss any employees as a result of financial difficulties in the period where the compensation scheme applies to the company.

The scheme is applicable from 9 March 2020 to 8 July 2020.

- The businesses' payment deadline for withheld A-tax (tax deducted at source) and labour market contributions is extended by four months for the settlement months of April, May, and June 2020. The payment deadline for VAT is extended as well.
- The state provides compensation - maximum of DKK 23,000 a month - to self-employed persons whose business employs up to 25 full-time people and has experienced a decrease of 30 % of the revenue.

Restrictions on terminations/redundancies have not been made.

Several businesses have applied for compensation from the aid packages. Unfortunately, the compensations were not paid to the businesses, which has resulted in some bankruptcies. However, the Danish Government has pledged to pay the compensation to the businesses immediately. Also, the unemployment rate has increased since the lockdown, which indicates that the implemented measures have not been sufficient to keep the unemployment rate at the same level as before the lockdown.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** The Danish Government announced the lockdown in calendar week 11. That week, 4,652 people registered as unemployed. In calendar week 18, a total of 45,957 people have registered as unemployed during the period from week 11 to week 18.

The majority of the registrations took place in March 2020, where the unemployment rate increased by 0.4 % from 3.7 % in February 2020. In March 2020, the total unemployment rate was 4.1 %.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** A complete exit plan has not been introduced, but on 14 April 2020 Denmark slowly commenced the first phase of a very slow and controlled reopening of the society. The initial steps on reopening include – inter alia – that day-care facilities, schools (0-5th grade) and graduating high school classes are allowed to open if the institutions comply with the stringent official opening guidelines.

Further, guidelines on opening office workplaces in the private sector have been presented – to the effect that employees in private companies gradually may return to the workplace, but only if the company ensures to take the necessary safety precautions. For instance, the employer must ensure enough space between employees (at least 2 meters); provide sufficient hand sanitizers; limit physical meetings and conferences (internal and external); etc. However, teleworking is still recommended if this can be done without any negative impact on the value creation and productivity.

As of 20 April 2020, certain liberal professions with close customer contact have been allowed to reopen, such as hairdressers, dentists, tattooists, psychologists, etc.

The courts and tribunals will reopen on 27 April 2020. Social-distancing rules must be complied with, but the courts estimate that up to 75 percent of the cases can be tried. Criminal cases and civil cases, e.g. cases concerning domestic relations, will be prioritized.

Large gatherings of more than 500 people will be prohibited until September 2020, precluding festivals and other large events during the summer. The remaining parts of the lockdown are currently in force until 10 May, after which they can be extended if necessary.

# DENMARK

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In the period from 4 - 8 May 2020, the Government will introduce a more general reopening strategy. The strategy will probably contain the order in which the Government plans to open Denmark in the (near) future. However, if there are indications that the number of infections increases too fast, the reopening will be reversed.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** The Danish government has introduced various financial support schemes in order to help different lines of industries. Some of the most important initiatives includes salary compensation for private employees, compensation for companies' overhead expenses and deferral of payment deadlines for, among other things, tax and VAT.

There have been problems with the payments from these relief packages, as the applications must first be approved. At present, many companies have not yet benefited from the aid packages. The Danish government is aware of this problem and is working on a solution.

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# ENGLAND & WALES

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** The UK has not declared a state of emergency.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** The Coronavirus Act 2020 (the "Act") received Royal Assent on 25 March 2020.

Just under 3 months have passed since the first cases of coronavirus were made known.

Under section 89 of the Act, the Act will stop having effect two years after it is passed i.e. on 25 March 2022. Some provisions e.g. emergency registration of health professionals and indemnity of health service activity will not expire after two years.

Due to government amendments incorporated into section 98 of the Act, MPs have the opportunity to express their view every 6 months on the continued operation of the Act's temporary provisions.

Measures contained in the Act:

- Schools, 16-19 Academies, childcare premises and further and higher education providers closure (sections 37 and 38)
- Power to prohibit or otherwise restrict events or gatherings in England (section 52)
- Use of video and audio technology for court and tribunal hearing in criminal proceedings and in the magistrates court (Sections 53 – 56)

Government has issued guidance on various social distancing measures:

- non-essential movements or travel
- social distancing and staying home, including outdoor activities
- working from home
- the closure of the following businesses:
  - Restaurants, cafes, hairdressers, retail with notable exceptions e.g. supermarkets, outdoor and indoor markets, hotels, hostels, B&Bs, caravan parks, libraries, community centres, places of worship, museums, nightclubs, cinemas, theatres, concert halls, bingo halls, casinos, betting shops, spas, skating rinks, fitness studios and gyms, arcades, bowling alleys, playgrounds, sports courts and pitches, outdoor gyms.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** The UK government has introduced a Coronavirus Job Retention Scheme, also known as a Furlough Scheme ("Scheme"). The Scheme is designed to help businesses maintain their workforce which may have become more difficult as a result of the pandemic. The Scheme allows employers to furlough employees and apply for a grant that covers 80% of their monthly wage costs, up to £2,500 a month, plus the associated employer national insurance contributions and pension contributions on the subsidised furlough pay. The Scheme covers the period from March to June 2020.

The measure was introduced on 26 March 2020 and the online portal for applications opened on 20 April so it is too early to estimate how effective the measure will prove to be. According to the latest statistics, more than 70% of private sector firms have furloughed some staff. As of 20 April 2020, more than 140,000 firms applied for the Scheme. The real test will be whether the Scheme has proved effective in avoiding redundancies, which lies at the heart of the rationale for the Scheme. This will become clearer over time.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** According to the Office for National Statistics (ONS), UK's unemployment rate covering the 3-months period from December 2019 to February 2020 stood at 4%. The figure covering the months of March and April has yet to be published which is expected to better reflect the impact of the pandemic on UK's unemployment rate.

The figure for the prior three months i.e. September to November 2019 was 3.8% which means there has been an increase of 1 % since the first registered case of COVID-19 in the UK which was in January 2020. We do not yet know the statistical impact of the lockdown measures on unemployment rate, which were introduced in mid to late March 2020.

## III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

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**A:** As of 27 April, there is no exit strategy that has been communicated to the British public. There have been reports that the UK could see a gradual and phased easing of the lockdown measures but nothing has been communicated by the government as to if this is true or how such measures will be introduced.

From an employment law perspective, businesses need to have a strategy of bringing back furloughed employees after June 2020 (or earlier) when the Scheme terminates. If the employer needs to make redundancies this needs to be planned and thought through now so that they can prepare for this in the next month or so. Those that are bringing furloughed employees back to work need to plan ahead and think about how this is to happen; it may be that for those coming back to work may need to be put on reduced hours which means that additional contractual measures will have to be undertaken before their furlough period ends.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** The government has introduced various measures to help businesses since the COVID-19 outbreak. The Furlough Scheme mentioned above is one of those measures but it has also introduced: deferral of VAT payments; claim back of statutory sick pay (SSP) paid to employees due to COVID-19; business rates relief due to COVID-19; support for the self-employed; and Coronavirus Business Interruption Loan Scheme designed to help small and medium-sized businesses affected by COVID-19 to access finance up to £5 million.

THE EFFECTIVENESS OF THESE MEASURES IS UNKNOWN BUT THE GENERAL MOOD OF BUSINESSES IN THE UK IS THAT THEY ARE DESPERATE FOR THE LOCKDOWN TO END AS SOON AS POSSIBLE. THE ULTIMATE BALANCING ACT WHICH THE GOVERNMENT HAS TO CARRY OUT IS BETWEEN ENSURING THE HEALTH AND SAFETY OF THE PUBLIC AND REOPENING THE ECONOMY BEFORE IT IS SUBJECT TO EVEN GREATER DAMAGE.

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# ENGLAND & WALES

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** Yes. The Finnish Government declared a state of emergency in Finland over the COVID-19 outbreak on 16 March 2020. A comprehensive assessment of the situation led to the conclusion that the authorities will need additional powers to deal with the situation and to protect the population. The Government decided on additional measures, which were enforced in accordance with the Emergency Powers Act, Communicable Diseases Act and other relevant legislation.

The purpose of the Emergency Powers Act is to secure the livelihood of the population and the national economy, to maintain legal order as well as fundamental and human rights, and to safeguard the territorial integrity and independence of Finland in emergency conditions. The Act lays down provisions on the power of authorities in emergency conditions. The Act also lays down provisions on how the authorities should prepare for emergencies. The powers defined in the Act can be exercised only if authorities cannot control the situation with normal powers. Under the Act, the rights and everyday lives of individuals can be restricted only to the extent that is absolutely necessary. The present situation does not mean that all powers included in the Act would have become applicable, but only certain individual powers are now being applied.

According to the current information, the measures related to emergency conditions are in force until 13 May 2020 and certain restrictions until the end of May or July 2020 (for further details please see the answer below to the question regarding legislative rules for enforcing social distancing).

On 22 April 2020, the Government considered that Finland can transfer gradually and in a controlled way from a situation in which there are extensive restrictive measures in society to one in which the epidemic is managed through enhanced measures, in line with the Finnish Communicable Diseases Act. However, the restrictive measures cannot be lifted all at once, because the situation is still serious. The preparation group is to draw up a plan by 1 May 2020 for exiting the restrictive measures in a timely manner and for moving to the next stage in curbing the progress of the disease. The Government is to meet on 3 May 2020 to discuss the matter.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** The first measures enforcing social distancing were introduced by the Finnish Government on 16 March 2020 and the decisions were implemented in accordance with the Emergency Powers Act, the Communicable Diseases Act and other legislation. Finland confirmed its first case of COVID-19 on 29 January 2020.

The following significant restrictions concerning social distancing are in force until 13 May 2020 unless otherwise stated:

- Contact teaching has been restricted with certain exceptions at all levels of education. The premises of schools, educational institutions, universities and universities of applied sciences as well as civic education and other liberal education institutes have been closed. The restrictions will be in force until 13 May but, if necessary, emergency arrangements may be continued until the end of the term.
- All public events, meetings and gatherings with more than 10 attendees, whether indoors or outdoors, are prohibited. Spending unnecessary time in public places should be avoided. Public events and gatherings of more than 500 people continue to be banned until at least 31 July 2020.
- Municipal youth facilities and meeting rooms for clubs as well as municipal swimming pools and other indoor sports facilities have been closed. Private operators are strongly advised to do the same. In addition, state and municipal museums, theatres, the Finnish National Opera and Ballet, the Finnish National Gallery, the Finnish National Theatre, cultural venues, libraries, mobile libraries, services for customers and researchers at the National Archives, organizations' meeting rooms, day activities for the elderly, rehabilitative work facilities and workshops are closed.
- Public-sector employers advise their employees to work remotely if their duties make it possible to do so.
- Restaurants and cafés will remain closed in the whole country until 31 May (with certain exceptions such as canteens in hospitals). Takeaway meals may be sold either directly to the customer or for delivery by food couriers.

- Finland's borders have been closed and passenger traffic to Finland has been suspended. Finnish citizens and persons residing in Finland are allowed to return to Finland. Finnish citizens and persons residing in Finland must not travel abroad. Only the most essential work-related travel across the northern and western border is allowed. Finns and permanent residents in Finland returning from abroad will be placed in quarantine-like conditions for two weeks. Goods and freight traffic continue as usual.
- Persons over 70 years of age must stay in quarantine-like conditions and refrain from contact with other persons to the extent possible, with the exception of e.g. members of parliament. Visits to housing service units for older people and other at-risk groups are prohibited.
- The sale of medicines, goods and services used in healthcare services has been restricted. Visitors have been banned from care institutions, health care units and hospitals with certain exceptions. If necessary, freedom of movement in social welfare units such as residential homes for older people, housing units for people with disabilities and foster care units related to child protection may be restricted. Municipalities have been given a temporary right to deviate from the time limits for non-urgent healthcare and the assessment of the need for social welfare services.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** The Government has enacted several temporary amendments to Finnish employment law due to the COVID-19 outbreak. These amendments make it easier for companies to adapt to this sudden change in their operating environment. The amendments entered into force on 1 April 2020 and will remain in force until the end of June 2020.

### Accelerated Temporary Lay-Off Process

- The notice period for temporary lay-offs has been shortened and the minimum period is now 5 days rather than the normal 14 days.
- The minimum duration of co-operation negotiations relating to lay-offs has also been shortened to 5 days from 14 days.

- The amendment also makes it possible to temporarily lay-off fixed-term employees in addition to permanent employees.

## Extended Re-employment Obligation to Protect Employees

- This amendment protects the employees by extending the employer's obligation to re-employ former employees in same or similar work for 9 months after the termination of employment, if the employee was terminated on production or financial grounds during the validity of the temporary amendment.

## Cancellation during Trial Period also Possible on Production and Financial Grounds

- In normal circumstances, it is not possible to cancel an employment relationship during the trial period on production and financial grounds, but one of the temporary amendments has now opened up this possibility.
- However, trial period cancellation is not allowed if it is based on a temporary reduction in work. In such a case, the employee's work is not considered to have been permanently reduced in the manner required to apply production and financial grounds.

## Collective Agreements and Their Emergency Provisions

- Over the past few weeks, numerous relaxations and emergency provisions have been agreed to collective agreements.

The Government has also enacted the following amendments to the Employees' Pensions Act:

## Reduction of the Employer's Pension Contribution

- The statutory pension contribution payable by the employer will be temporarily reduced by 2.6 percentage points from 1 May 2020 until 31 December 2020. The employer's contributions will be increased during the years 2022–2025 until the impact of the temporary reduction is fully compensated.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

***A:*** According to the forecast of the Ministry of Finance of Finland, the number of people employed is falling as the global pandemic closes down business activity and shuts national borders. Employment in



Finland in 2020 will be down, and the employment rate is estimated to fall to 71%. Correspondingly, the number of unemployed people is estimated to rise significantly, pushing the unemployment rate up to 8% for 2020.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** On 22 April 2020, the Government considered that Finland can transfer gradually and in a controlled way from a situation in which there are extensive restrictive measures in society to one in which the epidemic is managed through enhanced measures, in line with the Finnish Communicable Diseases Act. However, the restrictive measures cannot be lifted at once, because the situation is still serious. The preparation group is to draw up a plan by 1 May 2020 for exiting the restrictive measures in a timely manner and for moving to the next stage in curbing the progress of the disease. The Government is to meet on 3 May 2020 to discuss the matter.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** The Government has prepared an extensive package of approximately 15 billion euros to support companies and to alleviate the negative effects of the COVID-19 epidemic. In the administrative sector of the Ministry of Economic Affairs and Employment, business financing is provided by Finnvera, Business Finland, ELY Centres and Finnish Industry Investment.

The Government will make additional domestic financing of 10 billion euros available to businesses, primarily in the form of Finnvera guarantees. Companies are advised to first contact their own bank. Business Finland's grant authorisations will be increased by 150 million euros to permit immediate business support measures. ELY Centres' grant authorisations for business development projects will be increased by 50 million euros.

Finnvera primarily offers guarantees; i.e. banks provide financing, and Finnvera provides the guarantee. Finnvera also grants loans. The Government has submitted its legislative proposal to increase Finnvera's domestic financing authorizations to 12 billion euros. The maximum authorization under current law is 4.2 billion euros, and financing in the total amount of 2 billion euros has been granted, which means the total additional financing to companies amounts to 10 billion euros. In addition, the state will increase

# FINLAND

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its coverage of Finnvera's credit and guarantee losses from 50% to 80%, enabling Finnvera to take bigger risks in the current conditions of economic uncertainty.

Business Finland financing is available by application as normally. Business Finland is flexible about any changes in project schedules and loan repayment schedule, and generally seeks flexibility in all its activities. On 19 March 2020, Business Finland launched two new financial services to mitigate the economic impact of the coronavirus epidemic. These services are intended for SMEs and midcaps operating in Finland whose business is suffering from the coronavirus situation.

Finnish Industry Investment, together with other investors, is prepared to provide additional financing to private equity funds and its investee companies to cater to needs arising from the coronavirus. Finnish Industry Investment is also prepared to introduce a stability programme for companies that helps to strengthen the financial position of companies, together with private investors. However, private equity investment activities only involve a limited number of Finnish businesses, compared with SMEs that are Finnvera's customers. The services of Finnish Industry Investment supplement the state's specialized financing provision.

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** The French Government has indeed introduced a draft bill to face the COVID-19 outbreak which was enacted on March 24, 2020. This law introduces a state of emergency for a 2-month period. However, it has recently been extended until July 24, 2020.

Accordingly, the French Government is empowered to take any relevant enforceable rules, as from March 12, 2020. Since then, 25 statutes, 70 decrees and the same number of ministerial decisions have been adopted in a number of areas, and especially in employment and labor law.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction? If yes, please specify:***

**A:** The first rules related to social distancing were implemented on March 14, 2020, when all restaurants and non-essential businesses were forced to close. The first cases of COVID-19 appeared on January 24, 2020 with 3 people coming from the Wuhan region. The COVID-19 pandemic response plan was triggered by the Minister of Health on February 23.

The French Government then implemented several rules to enforce social distancing, including:

- A lock-down as of March 17. It is expected to be gradually lifted starting May 11.
- Since March 23, people have been required to complete a form to leave home. It is permitted to go out for one hour for essential goods shopping, work if not possible to homework, accessing healthcare, and exercise within 1 km from the home and for up to 1 hour. Failure to follow these rules can result in a fine. Curfew has been decided in some cities.
- Non-essential open court hearings ban.
- Land borders closure.
- Closure of all shops, stores and businesses except food stores, pharmacies and Tobacco stores.
- All schools and universities have been closed since March 16. Kindergarten and high school will progressively reopen as of May 11 while universities will remain closed until September.
- Outdoor activities restrictions (parks, beaches and public recreation areas closure)
- Social and sports events are banned.
- Work from home is required, including after May 11;

- The second round of the local elections is postponed. It was due to take place in March and was initially postponed until the end of June at the earliest. It is now envisaged to take place in the last quarter of 2020 or, more realistically, in the first quarter of 2021.

Regarding EU measures, the EU external borders were closed in March and may reopen subject to 14-days-quarantine for all arrivals, including French citizens.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown. If yes, please:***

**A:** The French Government has implemented a number of rules to prevent unemployment resulting from the Covid-19 pandemic and the subsequent lockdown, such as:

- Amendments to the job retention scheme, so-called “partial activity”, in order to avoid collective dismissals.
  - Extension of eligible employees.
  - Payment by the State of 70% of the hourly gross salary, with a minimum of 8,03eur per hour capped at 31,98eur per hour on the basis of 35 hours per week.
  - Filing and approval from the administration is easier and faster.

This scheme is available until December 2020; however it is most likely that the financial subsidies will start decreasing as of June 2020.

Furthermore, even if the employer is required to pay 70% of the impacted employees' gross salary, some collective industry-wide collective bargaining agreements provide for a more favorable compensation, including up to 100% of the salary.

As of today, approximately 1 French employee out of 2 is on “partial activity”.

- Amendments to the working time regulations in order to allow employers to impose accrued paid leave, max. 6 days, and other types of rest days (RTT) on employees, max. 10 days, subject to certain conditions.

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Extension of working time durations for “essential businesses” up to 60 hours per week instead of 48 hours, and up to 12 hours per day instead of 10 hours.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case.***

**A:** The unemployment rate has considerably increased since the beginning of the lockdown. While official numbers have not been published yet for April, the expected increase amounts to 7.1% in March 2020.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** The French Government has announced an exit strategy starting May 11, subject to changes. Only certain businesses will be allowed to reopen/resume operations.

Retail shops should be allowed to reopen as of May 11. However, theaters, cinemas, museums, restaurants, bars, cafés, clubs, gyms will have to remain closed at least until June.

These rules are likely to vary on a regional basis based on the concept of “red and green zones”. While green zones would likely follow the exit strategy detailed above, red zones would be subject to more restrictions, until further notice.

Whether a region of the country should be labeled as red or green mainly depends on the number of contaminations, the ICU bed occupancy rate and the ability to test individuals. Paris and its region are likely to be labeled as red while Bordeaux and its surroundings are likely to be green.

Travels for over 100km will be restricted, as of May 11, but the “out of home” form shall no longer be necessary.

Markets and shopping centers will also resume to work but local authorities may rule out reopening on an individual basis.

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Schools should gradually reopen after May 11. At first, parents will have the option to have their kids stay at home. In such a case, they would be allowed to remain under “partial activity”, until the end of May.

During his speech before the French Parliament on April 28, the Prime Minister insisted that work from home shall remain highly recommended for three more weeks after May 11. It is very likely that work from home will be recommended for the following months.

The Government has published on May 3, 2020 a handbook intended for employers, providing for health and safety measures to comply with in the workplace.

Accordingly, the employer must ensure social distancing. In particular:

- there should not be more than one individual within a 4m<sup>2</sup> space to ensure a 3,30 feet (1 meter) distance between each individual,
- working hours should be adjusted in order to avoid numerous arrivals at the front door,
- notes should be displayed to indicate directions which should be one-way,
- new working time organizations such as shifts may become necessary.

In case of difficulty to implement social distancing, employers must ensure that all employees wear a mask, and shall provide them to all employees.

Maximum caution will be required to comply with these instructions. Based on the latest government's announcements, labor inspectors will be instructed to conduct on site audits as regards compliance with health and safety regulations in the work place.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** Various support schemes have been introduced:

- Tax measures, including deferrals and rate reductions under specific conditions.
- A fund to support small-companies and freelancers/vendors.
- Small-companies eligible to the fund, are also eligible to postpone rent and utilities payments.

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- Employment-related rules such as a favorable partial activity/job retention scheme, emergency rules as regards imposed paid leave.
- State secured loans via the so-called French Public Investment Bank “*Banque Publique d'Investissement*” (BPI)

*Comments:* France has the most favorable partial activity scheme and is investing a lot of money to avoid a dramatic increase of unemployment due to massive collective layoffs.

The French Government is trying to balance the risks related to covid-19 for the individuals' health and safety and return to work, in order to avoid a major financial and social crisis.

France's GDP has decreased more significantly in the last couple of months than some other EU countries.

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## I. Lockdown Measures Across Europe- Governmental advisories

**Q: Is a “state of emergency” in effect in your Jurisdiction?**

**A:** In the Federal Republic of Germany, emergency preparedness is federally differentiated:

- **Federal level:**

There is no national "state of emergency" at federal level. In German federalism, disaster control is a matter for the countries.

- **Country level:**

Some federal states have proclaimed the “state of emergency” (Katastrophenfall), including Bavaria on March 16<sup>th</sup>, 2020: This enables clear control with central intervention to combat the further spread of the corona virus. E.g.: The following measures were applied from March 18<sup>th</sup>, 2020, up to March 30<sup>th</sup>, 2020 by a general ruling of the Bavarian State Ministry:

1. Events and gatherings will be prohibited nationwide Excepted from this are private celebrations in suitable privately used living quarters, where all participants have a personal connection (family, job) to each other. Exceptional permission can be granted on application by the responsible district administration authority, as far as this is justifiable in individual cases from the point of view of infection protection law.
2. The operation of all facilities that do not serve necessary activities of daily life, but rather leisure activities, is prohibited. These include in particular saunas and bathing facilities, cinemas, conference and event rooms, clubs, bars and discotheques, amusement arcades, theatres, club rooms, brothels, museums, guided tours of the city, sports halls, sports and playgrounds, fitness studios, libraries, wellness centres, thermal baths, dance schools, zoos, amusement parks, places of further education and training, adult education centres, music schools and youth centres.
3. Catering establishments of any kind are prohibited. Exceptions to this rule are company canteens, restaurants and cafeterias and establishments where food is predominantly delivered for consumption on the premises between 6.00 and 15.00 hours. Also excluded is the handing over of food to take away or delivery; this is permitted at any time. It must be ensured that the



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distance between guests is at least 1.5 metres and that there are no more than 30 people in the rooms. Hotels are also excluded, provided that only overnight guests are served.

4. It is prohibited to open retail shops of any kind. This does not apply to food retailers, beverage markets, banks, pharmacies, drugstores, medical supply stores, opticians, hearing aid acousticians, branches of Deutsche Post AG, pet supplies, DIY stores and garden centres, petrol stations, car repair shops, dry cleaners and online retailers. On application, the responsible district administrative authorities may grant exemptions for other businesses that are absolutely necessary for supplying the population, provided that this is justifiable in individual cases from the point of view of infection protection law.

On 22nd March German Chancellor Angela Merkel had communicated the guidelines for the further restriction of social contacts that she had agreed with the ministers of the countries. The contact restrictions were extended once again on April 15<sup>th</sup>, 2020 and are now valid until May 3<sup>rd</sup>, 2020, in Bavaria until May 10<sup>th</sup>, 2020.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A: Corona-Chronology in Germany**

- **January 28<sup>th</sup>, 2020:** The German Press Agency reports the first infection with the coronavirus in Germany. An employee of an automotive supplier from Bavaria was infected.
- **March 8<sup>th</sup>, 2020:** Federal Health Minister Jens Spahn officially recommends cancelling events with more than 1000 people in Germany.
- **March 11<sup>th</sup>, 2020:** German Chancellor Angela Merkel appears before the press together with Health Minister Jens Spahn and the head of the Robert Koch Institute Lothar Wieler. In order to slow down the spread of the coronavirus, major events (with more than 1000 participants) should be avoided if possible.
- **March 13<sup>th</sup>, 2020:** The German government puts together the largest crisis package ever. The state development bank "KfW" is to support companies threatened by bankruptcy with loans. Schools and day-care centres will be closed nationwide next week. Many companies are sending their employees into home office.
- **March 18<sup>th</sup>, 2020:** Chancellor Angela Merkel appeals to citizens in a television address to avoid social contacts in order to prevent infection.

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**March 20<sup>th</sup>, 2020:** The Federal State of Bavaria announces exit restrictions by general ruling; entry into force on 21.03.2020 and exit from the force at the end of 03.04.2020. Sport and exercise in the fresh air remain permitted, but only alone or with members of one's own household and without any other group formation.

The Federal Government and the countries agreed on the following **guidelines for restricting social contacts** on March 22<sup>nd</sup>, 2020:

- I. Citizens are urged to reduce contacts with other people outside the members of their own household to an absolutely necessary minimum.
- II. Wherever possible, a minimum distance of at least 1.5 m from persons other than those mentioned under I. must be maintained in public.
- III. The stay in public space is only permitted alone, with another person not living in the household or with members of one's own household.
- IV. The way to work, emergency care, shopping, visits to the doctor, participation in meetings, necessary appointments and examinations, help for other or individual sports and exercise in the fresh air as well as other necessary activities remain of course possible.
- V. Groups of people celebrating in public places, in apartments and private facilities are unacceptable in view of the serious situation in our country. Violations of the contact restrictions should be reported by the authorities and the police are monitored and sanctioned in case of violations.
- VI. Catering establishments will be closed. This does not include the delivery and collection of take-away food for consumption at home.
- VII. Service providers in the field of personal hygiene such as hairdressers, beauty salons, massage parlours, tattoo studios and similar establishments will be closed, because physical proximity is essential in this area. Medically necessary treatments remain possible.

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In all establishments and especially those open to the public, it is important to comply with hygiene regulations and to implement effective protective measures for employees and visitors.

## **List of the most significant measures:**

### **1. Closure of land borders:**

Since March 16<sup>th</sup>, 2020, border crossing at the land borders with Austria, France, Luxembourg, Denmark and Switzerland is only possible at certain border crossing points. Federal Interior Minister Horst Seehofer orders the reintroduction of border controls: Only persons with good reason, such as commuters, will be allowed to cross the border.

### **2. Non-substantial movements within and outside the national ban:**

On March 17<sup>th</sup>, 2020, the Federal Foreign Office issues a worldwide travel warning. German citizens should be prevented from travelling abroad. At the same time, the Foreign Ministry announces a recall action for Germans abroad. It advises to refrain from non-essential tourist travel to foreign countries around the world until June 14<sup>th</sup>, 2020.

### **3. Closure of schools:**

On March 13<sup>th</sup>, 2020, the federal states decide to close schools and daycare centres. The decision of the Federal Government and the countries provides for the gradual reopening of schools as of May 4<sup>th</sup>, 2020. Priority will initially be given to pupils in the final year and to pupils in the age groups that will take their examinations in the next school year. But also for primary school pupils who will be moving to a secondary school in the summer.

### **4. Closure of universities:**

The federal and state governments have decided that universities can also gradually return to attendance. Hygiene precautions are a prerequisite. If these are taken into account, examinations and practical courses that require special laboratory or work rooms at the universities can be held again initially. Libraries and archives are also allowed to open again. However, it must be regulated that the hygiene regulations are also fulfilled here and that the number of people in the buildings is limited and queues are avoided.

## **5. Closure of shops and businesses, cessation of non-essential production, restrictions on access to non-emergency public health care:**

On March 16<sup>th</sup>, 2020, German Chancellor Angela Merkel and the heads of government of the countries adopted guidelines for major restrictions on public life. Bars, cinemas and recreational facilities are to be closed, religious events in churches, mosques and synagogues will also be prohibited, and certain shops will be closed.

Drugstores, petrol stations, banks, delivery services, post offices and other central facilities remain open. This is done under increased hygiene requirements. Furthermore, access should be controlled and queues avoided. Service providers and craftsmen can also continue to carry out their activities.

All health care facilities will also remain open. It is imperative that they comply with the increased hygiene requirements.

Since April 20<sup>th</sup>, 2020, shops with a sales area of up to 800 square metres have also been allowed to reopen. They must comply with the above-mentioned requirements.

## **6. Restrictions on activities outside the country (closure of parks and public recreation areas), social and sporting events:**

On March 10<sup>th</sup>, 2020, the crisis team of the Ministry of Health and the Ministry of the Interior recommends the cancellation of all events with more than 1,000 visitors. Major events will remain prohibited at least until August 31<sup>st</sup>, 2020.

Group celebrations in public places, apartments and private facilities are not allowed. Bars, clubs, discos, pubs and similar establishments are closed to the public. In addition, theatres, operas, concert halls, museums, trade fairs, exhibitions, cinemas, amusement parks and providers of leisure activities (indoors and outdoors) are closed. Sports facilities, fitness studios, swimming and fun pools and playgrounds are also affected by the restrictions. Some countries have permitted the practice of contactless sports on outdoor sports facilities in their respective jurisdictions. Animal parks and zoos may also reopen after temporary closure in some federal states. Meetings in churches, mosques, synagogues as well as religious celebrations and events and the gatherings of other religious communities remain prohibited.

## **7. Mandatory wearing of masks:**

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On April 6<sup>th</sup>, 2020, Jena is the first German city to introduce compulsory masks at all points of sale, on public transport and in buildings open to the public.

The federal government makes a clear recommendation - citizens should wear mouth and nose protection, especially on public transport and when shopping. In the meantime, all federal states have adopted mandatory regulations.

## **8. Requirements for working from home:**

The recommendation is that employees who can work from home should do so. There is no legal right to work from home. However, employees can agree this with their employer.

## **9. Prohibition of non-essential public hearings:**

There are restrictions, some federal states have switched to "emergency operation", but there is no nationwide uniform directive on this. Ultimately, this remains the decision of the responsible judge whether or not an appointment is carried out. This follows from the principle of judicial independence.

## **II. Employment issues as a result of the lockdown**

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** On March 23<sup>rd</sup>, 2020, the Federal Cabinet made far-reaching decisions to stabilise the health care system and the economy and approves a supplementary budget of 156 billion euros to finance the aid. The economy receives practically unlimited state guarantees for credits. The federal government will be given more powers in the fight against epidemics. Hospitals and nursing homes receive money and funding commitments for corona-related additional expenditure. Solo self-employed persons can apply for financial benefits in a simplified procedure. Small businesses and cultural workers receive subsidies. Tenants are protected against termination.

### **Short summary of the measures:**

- Special support measures are available for small businesses, the self-employed and the liberal professions who have run into difficulties as a result of the Corona crisis. To ensure their liquidity, they receive a one-off payment for three months - depending on the size of the company - of up to

# GERMANY

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EUR 9,000 (up to five employees/full-time equivalents) / up to EUR 15,000 (up to ten employees/full-time equivalents).

This is intended in particular to secure the economic existence of the applicants and to bridge acute liquidity bottlenecks due to ongoing operating costs, for example rents and leases, loans for business premises or leasing instalments. The one-off payments do not have to be repaid. If the landlord reduces the rent by at least 20 percent, any unused subsidy can be used for a further two months. The emergency aid has a volume of 50 billion euros and also applies to farmers and farms with agricultural production with up to 10 employees.

- Credit programs
- Guarantees
- Tax aid measures (deferral of tax payments, adjustment of prepayments, waiver of enforcement of overdue tax debts until the end of the year)
- Support package for start-ups
- Short-time work compensation
- Simplified access to basic protection
- Counselling aids: With immediate effect, the Federal Ministry of Economics is funding consulting services for small and medium-sized enterprises affected by Corona, including freelancers, up to a consulting value of 4,000 euros without own contribution.

**Economic Stabilization Fund:** The Economic Stabilization Fund offers companies and start-ups support in the form of guarantees and equity capital assistance, provided that the general application requirements are met, in order to successfully overcome the crisis. It thus eliminates liquidity bottlenecks, supports recapitalisation on the capital market and strengthens the capital base of companies.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** The unemployment rate rose by 0.7 points to 5.8 percent during the corona crisis, an untypical seasonal development. Compared to March, the number of unemployed rose by 308,000 to 2.644 million (Status April 30<sup>th</sup>, 2020).

### III. Exit strategies and economic support

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**Q: Has your jurisdiction introduced an exit strategy?**

**A:** The Federal Government has announced the first relaxations. These rules will apply until May 3<sup>rd</sup>,

Bund-Länder-Einigung zu Corona-Maßnahmen	
→ Generell gilt: Kontaktbeschränkungen bleiben bis 3. Mai bestehen ←	
WAS WIRD ERLAUBT?	WAS WIRD NOCH NICHT ERLAUBT?
<ul style="list-style-type: none"><li>· Öffnung von Geschäften bis 800 m<sup>2</sup> Verkaufsfläche*</li><li>· Öffnung von Kfz- und Fahrradhändlern sowie Buchläden, unabhängig von der Verkaufsfläche*</li><li>· Prüfungen der Abschlussklassen in den Schulen nach entsprechenden Vorbereitungen; ab 4. Mai schrittweise: Wiederaufnahme des Betriebs von Schulen und Hochschulen</li><li>· Notbetreuung in den Kitas und Schulen für zusätzliche Berufs- und Bedarfsgruppen</li><li>· Öffnung von Bibliotheken an Hochschulen*</li><li>· Besondere Schutzmaßnahmen für Pflegeheime, Senioren- und Behinderteneinrichtungen nach lokalen Gegebenheiten</li></ul> <p style="text-align: right;">*unter Auflagen</p>	<ul style="list-style-type: none"><li>· Öffnung von Restaurants, Bars, Kneipen sowie Hotels</li><li>· Öffnung von Dienstleistungsbetrieben, bei denen körperliche Nähe unabdingbar ist; Ausnahme: Friseure können ab 4. Mai unter Auflagen öffnen</li><li>· Regulärer Betrieb von Kindertagesstätten</li><li>· Großveranstaltungen bis 31. August; Zusammenkünfte in Kirchen, Moscheen, Synagogen sowie religiöse Feierlichkeiten und Veranstaltungen</li><li>· Private Reisen und Besuche, auch von Verwandten</li></ul>

2020:

**The relaxations concern the following points:**

- Opening of shops up to 800 square meters of sales area (subject to conditions)
- Opening of car and bicycle dealerships and bookstores, regardless of sales area (subject to conditions), from May 4th also hairdressers
- Examinations for the final classes at schools: in stages from May 4th onwards: resumption of operation of schools and universities and libraries (subject to conditions)
- Emergency care in the day-care centres and schools for additional occupational and need groups
- Special protective measures for nursing homes, retirement homes and institutions for the disabled

**Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?**

**A:** Please reference Section II, Q1 above.

**Sources of information:**

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- <https://www.bayern.de/corona-pandemie-bayern-ruft-den-katastrophenfall-aus-veranstaltungsverbote-und-betriebsuntersagungen/>
  - <https://www.bundesregierung.de/breg-de/themen/coronavirus/besprechung-der-bundeskanzlerin-mit-den-regierungschefinnen-und-regierungschefs-der-laender-1733248>
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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** Greece in general is not currently in a state of emergency. Only specific areas in Greece have been declared in a “state of emergency of civil protection”, as provided by law, for reasons of public health, due to the widespread occurrence of COVID-19. Such “state of emergency of civil protection” mainly implies temporary restrictions of citizens’ movement and travelling to and from the affected areas (quarantine) and the provision of significant support by the central government (food, medicine etc.) to the citizens in home restriction. The maximum duration of declaring a district in state of emergency cannot by law exceed six months. However, during the current situation, the period of application of such measure is 14 days (since it is related to the term of presenting of COVID-19 symptoms).

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:**

- The first measures were included in a legislative act dated 25.02.2020; however they were entered into force gradually depending on the spread of COVID-19, starting on 11.03.2020 and onwards.
- The first case was confirmed on 26.02.2020.
- Restriction of movement and temporary suspension of operation of businesses following an order of the State until 03.05.2020. As of 04.05.2020 the restriction of movement and temporary suspension of specific businesses will be lifted gradually per type of business activity.
- Most significant measures:
  - o citizens’ free movement restrictions until May 4th at 6 a.m.,
  - o country borders closure,
  - o restriction of flights to/from Greece,
  - o mandatory quarantine for 14 days for every person arriving to Greece;
  - o schools and universities closure,
  - o suspension of operation of businesses following a state order (e.g. retail shops, malls, hotels, restaurants, cafés, gyms, cinemas, theaters, hairdressers etc.);
  - o prohibition of gatherings of more than 10 people,
  - o outside activities restrictions (parks and public recreation areas),
  - o ban of social and sports events,

- recommendation for work from home,
- suspension of the operation of courts.

The mandatory temporary closure of businesses could be considered the most burdensome measure.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** The Greek State has adopted a range of employment, tax, social security and financial supportive measures for the affected employers. Specifically:

- Unilateral implementation of remote working (e.g. work from home) option.
- Suspension of registration of changes in working hours, overwork and overtimes to the electronic platform of the Ministry of Labor (ERGANI platform).
- Special derogation from the prohibition of operation during Sundays and public holidays.
- Companies who have their operations due to a State order are not obliged to pay any salaries and their employees are not obliged to provide their work, due to the fact that such suspension constitutes a force majeure event. In such case, the employment agreements of the employees are suspended for as long as the public authorities' order remains in effect. These employees are eligible to receive a State benefit which amounts to 800€ until the end of April 2020.
- Companies who are significantly affected by the covid-19 crisis, as specifically designated by the Ministry of Labour in accordance with their Tax Code of their Business Activity (either their main Code of Business Activity or their secondary business activity based on their 2018 revenues), are entitled to suspend the employment agreements of all or part of their personnel from 21.03.2020 until 20.04.2020 and for a fixed period of 45 calendar days. These employees are eligible to receive a Special Purpose Compensation from the State which amounts to 800€. Employers may pay at their own discretion to their employees (who are entitled to the aforementioned Special Purpose Compensation by the State), an additional compensation which cannot exceed their normal gross monthly remuneration.
- Option for affected businesses to operate via the use of safe operations' personnel (e.g. the strictly necessary personnel for the business's operation). More specifically, as of 23.03.2020 and for a maximum of 6 months, the employer may unilaterally decide to employ its personnel for at least 2 weeks per month (new rotation work system) and pay

the corresponding salaries for such reduced work. The organization of such working system is rearranged per week and at least 50% of the total personnel of the company should participate in such measure.

- Option for the affected businesses to transfer personnel from one company of the Group to another of the same group, following an agreement between the two companies, without the employee's consent.
- Extension of deadline for payment of social security contributions by the employer.
- Delay of payment date of the employer's debts towards the social security authorities.
- Suspension of payment of VAT, certified debts to tax authorities, as well as extension of payment of instalments of certified debts.
- Immediate repayment of all due liabilities to taxpayers, individuals and businesses, by way of refunding via amounts of up to 30.000 € under audit by the Independent Authority of Public Revenues ("AADE")
- Reduction of the commercial rent expenses (40%) for the affected companies' and their personnel.
- Employers who have suspended their operations following a State order cannot legally proceed to any employee termination for as long as the governmental measures due to the covid-19 continue to be in effect. Any employee termination during said period is considered null and void.
- Any affected employer that makes use of the aforementioned employment measures is obliged to retain the same personnel during the implementation of the measures (employee terminations are prohibited). More specifically, affected companies who make use of the employee suspension measure are obliged to retain after the expiration of the suspension period and for a period equal to same (i.e. 45 days), the same headcount and specifically the same employees with the same employment terms and conditions they had on 21.03.2020. Voluntary resignations, terminations due to retirement, as well as normal expirations of fixed term contracts are not included in the above restriction.

Companies who made use of the various state-support measures are not implementing any employee redundancies. However, there are companies in Greece who chose not to make use of the aforementioned support measures, in order to proceed with employee redundancies.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** According to the existing data, as extracted from the e-platform of the Greek Labor Inspectorate, in March 2020 more than 40.000 employee terminations took place, which implies that the unemployment rate has increased. However, no further information regarding the unemployment rate in Greece is currently available.

### III. Exit strategies and economic support

**Q: *Has your jurisdiction introduced an exit strategy?***

**A:** The plan of the Greek Government is to gradually restart the economy. To this end, the Government has introduced an exit strategy including the lifting of the restrictions of free movement (from May 4, 2020) and the operation of businesses, as follows:

- April 27: opening of mortgage offices and courts for specific procedures.
- May 4: opening of beauty centers, bookshops, sporting equipment shops, optician's shops.
- May 11: opening of all other retail shops (except malls), and opening of high schools for seniors.
- May 18: opening of middle schools and other grades of high schools.
- June 1st: opening of malls, restaurants, cafés (only outdoor spaces).
- Hotels will follow.

In this direction, employees are entitled to return to their workplace following specific directions which are anticipated to be issued in the following days, which will include, among others, social distancing and the use of protective face masks.

The option of unilateral teleworking remains in force until 31.5.2020.

The purpose of the governmental plan is the gradual return to normalcy; however, according to the announcements of the Greek Government, the aforementioned exit plan may be revised and amended accordingly in case of a relapse of the COVID-19 pandemic.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** The following financial support schemes were implemented by the Greek State:

- Extension of the deadlines for the payment of VAT obligations, assessed tax liabilities and installments of assessed liabilities as a result of a settlement
- 25% discount for timely payments of assessed tax liabilities and installments of assessed liabilities as a result of a settlement
- 25% offset of timely payments of VAT liabilities with tax liabilities due as of 1st May 2020 onwards
- VAT exemption on certain donations to the Greek State.
- Financial state subsidy in the form of a refundable prepayment: A refundable prepayment, amounting to EUR 1 billion in total and to a maximum of EUR 500,000 per business, financed by the Greek State's Budget is provided to enterprises that have been financially affected by the spread of COVID-19.
- Extension of deadlines for the submission of capital duty, stamp duty, donation, inheritance, gambling profits and parental grants tax returns.
- Extension of the deadline for reporting of tax documents for cross checking purposes of information ("MYF").
- Extension of payment of social security contributions
- Suspension of payment of loans.
- Provision of new corporate loans up to €2 billion in total
- Increase of the funds granted to the Hellenic Fund for Entrepreneurship and Development of the Hellenic Investment Bank by the amount of €250 million, to be used for financing purposes of the Greek companies that have been affected by the COVID-19 crisis and within the framework of which the interest shall be subsidized for 2 months.
- Commercial lease agreements: Decrease of the monthly rent by 40% for March and April 2020.
- Extension of payment of the Easter allowance to the affected companies' personnel until 30.06.2020. Such measure is also applicable to companies who have suspended their operations following a State order.

On 30.04.2020 the Government announced that a new support mechanism will be provided for companies and employees. The respective legislative act is anticipated to be issued in the coming days.

# GREECE

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In summary, with respect to the employment support measures, the Minister of Labour and Social Affairs announced that the new measures will be based on three pillars: a) the continuation of the support of employment and the safeguarding of job positions, b) the financial support for employees, in order for the State to cover their loss of income and c) the protection of the health and safety of the employees.

According to the respective press release dated 30.04.2020 of the Ministry of Labour and Social Affairs, affected employers who have proceeded with the suspension of their employees may revoke same for the 40% of the suspended personnel, provided that the suspension has lasted for at least 15 days. Said employers may also extend the existing employee suspensions for up to the 60% of their suspended personnel for a maximum period of 30 days and up to May 31<sup>st</sup> 2020. In case the employer exceeds the aforementioned 60% threshold, it will be obliged to pay the salaries of the respective employees. The extension option entails the restrictions in employee terminations and the retainer of the same employees with the same terms and conditions. Such termination restrictions will continue to be in force during the effective period of the urgent and extraordinary measures applicable due to the covid-19 pandemic.

Companies whose operations continue to be suspended due to a State order will also extend the suspension of their employees until the end of May 2020. The Special Purpose Compensation for the employees of said companies will continue to be paid by the State.

Affected companies and companies whose operations continue to be suspended may temporarily revoke the suspension of part of their personnel, in order to cover extraordinary and urgent operational needs.

Finally, in order to ensure the smooth re-start of the business activity of the private sector, as well as public health, companies whose operation was suspended following a State order or were designated as affected by the Ministry of Finance, will be able to adjust the working hours of their employees in accordance with the operating hours set by the competent authorities. Such adjustment will take place under the condition that the type of the employment contract of such personnel will not be amended.

# GREECE

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## I. Lockdown Measures Across Europe - Governmental advisories

### ***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** The state of emergency was introduced by – in accordance with Article 53 of the Hungarian Constitution (“Fundamental Law of Hungary”) – the Government Decree No. 40/2020 (III.11.) (“**GovDec.**”) on the 11<sup>th</sup> of March, 2020. On the 30<sup>th</sup> of March, the Hungarian Parliament adopted Act no. XII of 2020 on the defense against coronavirus (“**The Act**”). The Act – in essence – prolongs the empowerment of the Government provided by the GovDec. for an indefinite period. This means, that – according to the Act – the Government is authorized to deviate from laws when issuing emergency government decrees if the aim of such decree is to protect the health, property, fundamental rights of the citizens or to protect the stability of the national economy. The Act stipulates, that the state of emergency shall end, when the majority of the National Assembly decides that it is no longer necessary. As the current Hungarian Government enjoys a comfortable super majority (2/3) of the seats in the National Assembly, it is difficult to anticipate the end of the state of the emergency. If no second or third wave of the disease will hit Hungary during the fall of 2020, it is most likely that the state of emergency will end by the end of the year.

### ***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** The first patient in Hungary was diagnosed with COVID19 on the 4<sup>th</sup> of March 2020. The first measures were introduced on the 13<sup>th</sup> of March 2020 (nine days passed between the first registered patient and the introduction of the first restrictive measure). Currently, the following restrictive measures are in place:

- Schools, universities in Budapest and kindergartens are closed for further notice (however, the state provides oversight for children, whose parents are unable to look after them).
- Non-essential shops may only be open between 8 a.m. and 3 p.m. (essential shops are food-retail, pharmacies, drugstores, bakeries)
- borders are closed until further notice for non-Hungarian citizens (however, as a recent development, business travels are permitted to Hungary from the following countries: Czech Republic, Poland, Germany, Austria, Slovak Republic and South Korea). Hungarian citizens returning from abroad will need to go into a 2 week-long quarantine when returning to Hungary.



# HUNGARY

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- In Budapest and Pest county, the movement of citizens are restricted. People may only go out from their residences for the following reasons:
  - o to go to work;
  - o to bring children to day-care;
  - o to receive health-care treatment;
  - o to do sport activities (alone);
  - o to go to shops providing essential products (food, drugstore etc.);
  - o to provide for the elderly or children.
- In regions other than Budapest and Pest county, people are free to move, however, they must wear a mask, and maintain a distance from other people no less than 1,5 meters.
- The health-care system works in a normal operation from the 4<sup>th</sup> of May 2020.
- Sport events might be organized from the 4<sup>th</sup> of May 2020, however only without any spectators (behind “closed doors”).
- No public events can be held (with the exceptions of weddings and funerals) until the 15<sup>th</sup> of August 2020.
- It is mandatory to wear a mask in shops and on public transport from the 4<sup>th</sup> of May 2020.
- The Government is asking all citizens and companies to work from home, if possible (however this is only recommendation and not obligatory).
- Courts either postpone hearings or concluding them via video services on the Internet.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers’ keep the employment rate the same as before the lockdown?***

**A:** The Hungarian government has introduced basically three types of measures in this respect:

- organization of the work
- tax reliefs
- government subsidy for reduced working time

Organization of the work:

Employers are not entitled to unilaterally decrease the salary nor to send employees on leave without pay.

# HUNGARY

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According to the new rules, employers in Hungary are entitled to unilaterally instruct their employees to work from a home office or a teleworking arrangement for a longer period, until the end of the state of emergency and further 30 days.

Employers are entitled to take the measures required and necessary for controlling the health status of the employees (this means basically that employers are entitled to measure the employee's body temperature on the employee's front).

Employers were given larger flexibility to schedule the daily working time, the former 96 hours notification requirement is temporarily not applicable.

The averaging arrangements may be extended to 24 months (in contrast of the former general rule of 4 months).

## Tax reliefs

In case of employees employed in tourism, hotels, restaurants, cafés, entertainment industry, gambling, film production, theatre and other performance, sports, the employers are fully exempted to pay taxes or other social contributions from March until June (inclusive). The employees should pay only a certain part of their public health insurance contribution. Taxi drivers are exempted to pay taxes from March until June (inclusive).

## Government subsidy for reduced working time

If the parties decrease the working time at least by 15% and at most by 75%, then they may request a government subsidy for the lost working time. The government pays 70% of net salary due for the lost time for three months. The employer has to maintain the employment for the duration of the subsidy and for an additional month. The maximum amount used for the calculation cannot exceed twice the minimum salary. This program has been available since mid-April 2020. More than 30 thousand employees have been already granted with this kind of subsidy. In case of employers being operating in the R&D sector, the amount of the subsidy is considerably higher.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

# HUNGARY

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**A:** According to the official statistics, the unemployment rate was 3,7% in January 2020, which means that approx.. 168,000 persons were unemployed. According to the statistics published for March 2020, the number of unemployed people increased to 281,000 which corresponds to an unemployment rate of 4,6%.

### III. Exit strategies and economic support

**Q: Has your jurisdiction introduced an exit strategy?**

**A:** The government has introduced an exit strategy, with the exception of Budapest and the surrounding central region, the gradual lifting of the restrictive measures have been implemented as of 4<sup>th</sup> May 2020. After an unemployment period of maximum three months (for which an unemployment subsidy is paid to former employees), any employees who lost their job due to the pandemic, will be given a new job. If jobs will not be available on the primary sector, a government program will create new jobs.

**Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?**

**A:** A general loan repayment moratorium was introduced until 31<sup>st</sup> December 2020 in respect of all loans (irrespective whether they were taken by companies or private individuals) existing on the day of declaration of the state of emergency (11<sup>th</sup> March 2020). No interests or costs should be paid for such loans during the moratorium. The expiry of such loan is extended by the length of the moratorium.

For companies, many types of extra bank loans are available with preferential interest rates (0%-2,5%). These loans may be used investment, cash-flow, repayment of debts, and procurement of equipment purposes.

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** A "lockdown" is in effect in Ireland. The first period of lockdown was introduced on 12 March 2020 when schools, colleges and childcare facilities were closed because of COVID-19, as well as the cancellation of indoor gatherings of more than 100 people and outdoor gatherings of more than 500 people. On 15 March 2020 all pubs and bars were asked to close. Further, more stringent lockdown measures were introduced on 28 March 2020, and these measures are still currently in place until 5 May 2020. They include instructions to stay at home, except for the following:

- to travel to and from work where the work is considered an essential service;
- to buy food, medicines;
- to attend medical appointments;
- for vital family reasons including caring for children, elderly or vulnerable people but excluding social family visits; and
- to exercise within 2 kilometres of one's home.

The Irish Government intends to publish a roadmap out of the lockdown shortly, with lockdown restrictions being lifted on a staggered basis over the coming weeks and months. Details are expected shortly.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** The Emergency Measures in the Public Interest (COVID-19) Act 2020 was enacted on 20 March 2020 to give the Irish Government powers to enforce closures of schools and businesses which the government deems non-essential. It further gave the Government power to require the public to stay at home for set periods of time.

The lockdown measures that are currently in place were introduced on 28 March 2020 and include the following restrictions:

- Closure of all non-essential business, such as theatres, clubs, gyms, libraries, as well as all non-essential retail outlets.
- All sporting events are cancelled - including those behind closed doors.

# IRELAND

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- Schools and universities are to remain closed.
- All non-essential travel outside of the country is banned.
- No travel outside of a 2km radius of your own home is permitted except for specified circumstances such as essential grocery shopping, care for vulnerable family members etc.
- Social distancing guidelines are to be followed at all times.

The above restrictions that were introduced on 28 March 2020 were initially intended to be in place until 12 April 2020. This has since been extended, with all restrictions remaining in place until at least 5 May.

The first recorded case of COVID-19 was confirmed on 29 February 2020.

The measures impact on businesses and employers in varying degrees depending on the nature of the business. Those most severely affected are the hospitality and airline sector.

## I. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** Yes. The Irish Government introduced the Temporary Wage Subsidy Scheme on 26 March 2020 to run for a period of up to 12 weeks. The aim of the Scheme is to keep employees registered with their employers in order to facilitate their return to work after the pandemic is over.

An employer is eligible to enroll their employees to the Scheme if they can show, among other things, a minimum of 25% reduction in turnover because of the COVID-19 pandemic.

During Phase 1 (26 March until 4 May 2020) the Scheme provides a subsidy to eligible employers of 70% of the employee's net weekly earnings up to a maximum of €410 per week. Employers must make best efforts to top-up the subsidy payments of their employees in order to match their contractual wages.

Under Phase 2 of the Scheme (from 4 May 2020) subsidy payments will move to a system based on the previous weekly average take home pay for each employee. The previous weekly average take home pay is based on an employee's pay in January and February 2020, with some subsidies under

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the Scheme being tapered in accordance with the gross top-up paid by the employer to the employee.

As of 30 April 2020, over 50,900 employers have registered for the Scheme, which is approximately 32% of employers in the jurisdiction.

The Irish Government has also introduced a separate pandemic unemployment payment for employees and self-employed who have lost their job due to Covid-19 and are not in receipt of income. It is a flat rate payment of €350 per week.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** The unemployment rate in the Republic of Ireland stood at 4.8% in February 2020. While the standard measure of monthly unemployment was 5.4% in March 2020, a new COVID-19 adjusted measure of unemployment could indicate a rate as high as 16.5% if all claimants of the pandemic unemployment payment were classified as unemployed.

## II. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** The Irish Government is currently constructing an exit strategy, details of which are due to be announced on 1 May 2020. The contents of the exit strategy are not yet known.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** A number of supports are available for businesses during the COVID-19 (coronavirus) pandemic.

In addition to the Temporary Wage Subsidy Scheme outlined above, the Government has introduced a number of measures to assist businesses reduce their operational costs:

- Joint First Responder support

The Department of Employment Affairs and Social Protection and the Department of Business, Enterprise and Innovation is providing joint First Responder support services through development

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agencies, Enterprise Ireland and IDA Ireland in each region to provide tailored supports for impacted firms, with the objective of avoiding mass lay-offs and buying time for firms to work through the short-term disruptions.

A variety of other supports for businesses affected by COVID-19 have been made available by the State and State agencies, such as:

- Working Capital Loan Scheme

Loans from €25,000 to €1.5 million are available under the Working Capital Loan Scheme, operated by the Strategic Banking Corporation of Ireland (SBCI). Loans are available to viable micro, small and medium sized enterprises ("SMEs") and Small MidCap enterprises, who meet the eligibility criteria. A Small Mid-Cap is an enterprise that is not an SME but has fewer than 500 employees.

- Future Growth Loan Scheme

Longer term loans from €100,000 to €3,000,000 are available for SMEs under the Future Growth Loan Scheme also operated through the SBCI. The loans have a maximum interest rate of 4.5% and the first €500,000 borrowed can be unsecured.

- Credit Guarantee Scheme

A new Credit Guarantee Scheme supports loans of up to €1 million for periods of up to 7 years. The purpose of this scheme is to encourage additional lending to SMEs by offering a partial Government guarantee (currently 80%) to banks against losses on qualifying loans to eligible SMEs.

- Microenterprise loans

Microenterprise loans of up to €50,000 are available from MicroFinance Ireland for sole traders, partnerships and limited companies with less than 10 full-time employees and annual turnover of up to €2m.

- Business Continuity Voucher

A new Business Continuity Voucher is available through Local Enterprise Offices for businesses that employ up to 50 people. The voucher is worth up to €2,500 in third party consultancy costs and can be used by companies and sole traders to develop short-term and long-term strategies to respond to the COVID-19 emergency.

- Trading Online Voucher Scheme

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A new Trading Online Voucher Scheme is available through Local Enterprise Offices to help small and microenterprises get online. The voucher is worth up to €2,500. A second voucher of up to €2,500 can be sought once the first has been successfully utilised.

- Business Financial Planning Grant

A Business Financial Planning Grant from Enterprise Ireland to the value of €5,000 to assist companies to develop a Business Sustainment Plan and to engage the services of an approved Financial Consultant.

- Online Retail Scheme

A COVID-19 Online Retail Scheme is open to retailers employing over 10 people. Grants ranging from €10,000 to €40,000 will be awarded under the competitive scheme to retailers seeking to improve their existing online capability.

### *Help for specific industries*

The Government has announced packages of assistances to sectors of industry and commerce that have been most badly affected by COVID-19:

- Manufacturing and international services

A €180m Sustaining Enterprise Fund for firms with 10 or more employees in the manufacturing and international services sectors providing advances of up to €800,000 which are only repayable when a business returns to good financial health.

- Food and drink industries

Restaurants and cafes will not have to apply for planning permission to operate as take-away services during the emergency period. The emergency period set out in legislation is 13 March 2020 to 31 May 2020. This period may be extended.

- Childcare providers

The Department of Children and Youth Affairs (DCYA) has set out emergency measures to support childcare providers while childcare facilities are closed during the COVID-19 pandemic.

Support schemes are under continuous review. A government update is expected imminently with details of Ireland's roadmap in terms of lifting restrictions on businesses and employees returning to work.



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## I. Lockdown Measures Across Europe- Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** A “state of emergency” is in effect in Italy.

This has been formally declared by the Italian Government on 31 January 2020 (namely, the day after the date on which the Director-General of the World Health Organization declared that the outbreak of COVID-19 constitutes a “public health emergency of international concern”).

The “state of emergency” will be in effect for a six-month period expiring on 31 July 2020, although this term is expected to be extended for at least additional six months.

As a consequence of such a declaration, the Italian Government was expected to adopt measures aimed at avoiding the risk that an emergency actually would have taken place in Italy (for example, suspension of direct flights from China) or to face the emergency itself where this would have actually taken place (for example, supply of an adequate number of facial masks to hospitals).

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** The first cases of COVID-19 in Italy have been detected on 30 January 2020 (namely, two Chinese tourists coming from Wuhan), while the first “autochthonous” case has been registered on 21 February 2020.

Only two days after the date on which the first “autochthonous” case has been detected (namely, on 23 February 2020), the geographical areas within which an increasing number of cases were occurring have been declared as a “red-zone”, thus being any movements into and out being fully prevented (these geographical areas comprised of ten municipalities in Lombardy and one in Veneto).

Due to the spread of COVID-19 in Italy in the next days, draconian measures have been adopted by the Italian Government.

Starting from 10 March 2020, among others, the following measures apply within the entire territory of Italy:

- ✓ people being prevented from any movement into and out except for specific needs (such as unavoidable working needs) at least until 18 May 2020;
- ✓ non-essential production being stopped until 3 May 2020;
- ✓ schools and universities being closed until September 2020;
- ✓ religious ceremonies being suspended;
- ✓ funerals being suspended until 3 May 2020 (however, restrictions as to the number of participants will apply);
- ✓ shops being closed (except for book shops and those selling essential goods, such as supermarkets, drugstores and hardware stores) until 17 May 2020;
- ✓ shopping malls being closed;
- ✓ outside activities restrictions being applicable, except for individual running close to people's own domicile (this area constraint will apply until 3 May 2020);
- ✓ parks and public recreation areas being closed until 3 May 2020;
- ✓ restaurants being closed until 31 May 2020;
- ✓ hairdressers' and beauticians' shops being closed until 31 May 2020;
- ✓ social and sports events being prevented;
- ✓ work from home requirements;
- ✓ non-essential court hearings being banned until 11 May 2020 and procedural terms being suspended until 15 May 2020 (these terms are expected to be postponed);
- ✓ museum being closed until 17 May 2020.

Unless otherwise provide above, the term within which these measures are effective have not been established so far.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** In order to keep the employment rate the same as before the lockdown, the following measures have been adopted by the Italian Government:

- ✓ starting from 17 March 2020, collective dismissal procedures are prevented from being triggered for a 60-day term (expiring on 16 May 2020), and procedures that started after 23 February 2020 have been temporarily suspended over this term;

- ✓ until 16 May 2020, employers - regardless of the number of employees in force - are prevented from serving dismissals for individual redundancy (with the main exception of executive status employees). However, employers may legitimately serve dismissals for cause and subjective, justified grounds as well as for reasons relying on the maximum sick term having been exceeded;
- ✓ the term of the prohibition on both individual and collective dismissals being served is expected to be shortly extended for an additional 60-day period;
- ✓ recourse by employers to salary intervention social tools has been made easier with regard to the applicable procedure and allowed to certain companies that do not meet the 'ordinary' requirements of it (owing to the size of their business or the sector in which they operate). No additional costs are on charge of employers which actually make recourse to these social tools;
- ✓ for the time being, the maximum term of these salary intervention social tools is up to nine weeks, although the Italian Government is expected to extend this in the next weeks.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** There are not significant changes in the unemployment rate as the Government emergency provisions have implemented the above prohibition of collective and individual dismissals (please see the replies to the question above).

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** The Government has declared that it is already working on the exit strategy, so-called "phase 2", that is aimed at restarting the productive system through a gradual reopening of all the activities. "Phase 2" will be implemented by steps and will occur through a specific program that grounds on two main points: (i) the establishment of a working group of experts and (ii) the study and the implementation (and updating) of safety protocols in the workplace.

The group of experts is composed of professionals experienced in economic and social matters and will consult with the Government Technical-Scientific Committee, to continuously develop and update the necessary measures intended to a gradual recovery in the social and economic sectors and in productive activities.

This will mainly occur through the identification of specific organizational models that shall consider the needs of containment of the COVID-19 emergency.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** The most impacting financial measures consist of the implementation of special state-funded salary integration tools grounded on COVID-19 emergency status (please see the reply to the question above).

Under a financial standpoint the Government has issued further provisions aimed at safeguarding the access to credit for the companies. Such economic measures provide the implementation of a partial or total State warranty on bank loans.

Relating to small businesses it is excluded the necessity of preliminary investigation by the bank for loans of amounts not exceeding the 25% of borrower's revenues and, in any case, within the cap of 25 thousand euros.

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## I. Lockdown Measures Across Europe- Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** The Government of the Republic of Lithuania has declared quarantine and civil safety level three (full readiness) on the entire territory of Lithuania. The duration of the quarantine regime will be from midnight on 16 March 2020 until midnight on 31 May 2020 with an option to extend.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** There are legislative rules for enforcing social distancing in Lithuania. Restrictions are being eased now and each month gradually mitigated. Initially, all travels were prohibited with very limited exceptions (transport, diplomacy, travels with individual permit), since 18 May all business travels, workers travels and students travels allowed to Lithuania from EU; since 15 May all travelling released among Lithuania, Latvia and Estonia). At the beginning, stores (except food), restaurants, shopping centers have been closed, now they are opened (restaurants can operate only outside tables with proper distance, stores and shopping centers control number of visitors), public events have been totally prohibited initially, since 18 May public events up to 30 participants are allowed in open spaces, etc. All public sector, when possible, worked from home remotely, private sector was strongly recommended to do the same (and in practice very widely applied it). Production and construction companies were allowed to operate, taking security measures.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers’ keep the employment rate the same as before the lockdown?***

**A:** Lithuania has introduced measures to help employers to keep employees at workplaces, by offering subsidies to employers for the downtime (furloughs). The share of wage expenses incurred due to the downtime is compensated to the employer, paying out subsidies as the percentage of the estimated wage of employee. The amount of wage subsidy is calculated as percentage of the estimated wage of employee which may not exceed the wage established in the employment contract before the announcement of emergency situation and quarantine by the Government and at the discretion of employer amounts to:

- 70 percent of the estimated wages, but not more than 1,5 minimum monthly wage approved by the Government (i.e. EUR 910.50 gross) for entire month of downtime) or
- 90 percent of the estimated wages, but not more than one minimum monthly wage approved by the Government (i.e. EUR 607 gross for entire month of downtime).

Employers receiving wage subsidies must maintain no less than 50 percent of jobs in which regard the subsidies are paid and for at least 3 months after the end of payment of wage subsidies.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** Unemployment rate increased from 6,4% in 2019 April to approximately 10,3 % in 2020 April.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** Exit strategy was approved as 4 steps plan of gradual easing of restrictions. Strategy is based on three main principles: business opening, and quarantine restrictions will be gradual; sectors having fewer social contacts are opened first; business and employers must implement maximum protection measures. Removal of business restrictions will allow employers to keep workplaces and operate businesses instead of mass lay-offs.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** Different support schemes are available, such as subsidies to employers, postponement of taxes, exemption from default interest and conclusion of tax loan agreement tax deferrals, Governmental export credit guarantees, SME financing, etc.

Please look for more information about subsidies to employers, tax exemptions at <https://www.ellex.lt/en/covid/47699>

Please look for more information about export credit guarantees, SME financing at <https://invega.lt/en/>

# LITHUANIA

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** Yes. The state of emergency was introduced on 18 March 2020 in Luxembourg. On 21 March 2020, the Parliament voted to extend the state of emergency for three months (which is the maximum duration provided for in the Luxembourg Constitution).

During the state of emergency, the Government can legislate without the Parliament, this means that laws or regulations can enter into effect faster and therefore be more effective in the framework of the current Covid-19 pandemic.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** Yes, there are legislative rules enforcing, amongst other protective measures, social distancing in Luxembourg.

The first measures were implemented on 18 March 2020. The first registered case of COVID-19 in Luxembourg was on 29 February 2020, 94 days has passed since the first registered case.

The term of the current measures is not yet precisely known but Luxembourg has started its deconfinement phase and the relaxation of certain measures.

Three phases are currently planned:

- First phase: from 20 April 2020: resuming of building sites, outside work, hardware shops and recycling centers.

As of 4 May 2020, higher classes (with exams at the end of the year) and "non-emergency" medical activities will resume.

- Second phase: from 11 May 2020: classes in the lower secondary cycle will resume (divided into two groups, varying between face-to-face and teleworking from week to week.

Depending on the health situation, the reopening of shops, bar and restaurants will be considered.

- Third phase: from 25 May 2020: planned reopening of all schools, nurseries, day-care centres and holiday homes.

All major events are prohibited until 31 July 2020, including Luxembourg National Day festivities.

All these phases are flexible and can be adjusted (more or less restrictively) according to the health parameters and the evolution of the spread of the virus.

The most significant measures currently are:

- land borders eventual controls;
- non-essential movements in and outside the country ban;
- schools and universities closure;
- non-emergency access to public healthcare restrictions;
- non-essential production stopped;
- shops closure and business closure (all non-essential activities had to close);
- social and sports events cancellation; and
- work from home requirements.

Additionally, as of 20 April 2020: mandatory masks wearing (or alternative face protections) when going outside (for authorized reasons only) when the required interpersonal minimum distance of 2 meters cannot be guaranteed.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** The measures aimed at maintaining employment may be summarized as follows:

- Partial unemployment due to force majeure: Upon motivated request, the State reimburses 80% of employees' remuneration during inactive hours (permanent and fixed-term contracts, apprenticeships) paid by the employer (up to an amount of EUR 5,354.98 gross per month per employee) during which time dismissals for economic reasons are prohibited.
- Extension of residence permits for third-country nationals: For the duration of the emergency state, expired visas and residence permits for third-country nationals remain valid.

- Jobswitch, a contact platform: Connect the unemployed, staff in partial unemployment and self-employed people with companies in need of labour.

Maintaining activity in essential sectors of activity:

- Increase in the maximum working time in essential sectors of activity: Extend, with the agreement of the staff delegation, the maximum working time up to 12 hours a day and 60 hours a week.
- Refusal or cancellation of annual leave in essential sectors of activity: Allow employers to refuse, during the emergency state, annual leave requests and cancel leave already granted.
- Increase in working hours for certain student contracts in essential sectors of activity: Extend the weekly duration of fixed-term contracts with a student to 40 hours over a period of 4 weeks or a month.

Benefit of administrative tolerance for social security contributions:

- Increased flexibility in the payment of social security contributions: Provide flexibility to companies in cash management and payment of social security contributions, e.g. by temporarily suspending the calculation of default interest for late payments.

Promoting telework:

- Amended taxation of telework for Belgian, French and German cross-border commuters: Allow cross-border commuters to work from home during the crisis without being taxed in their country of origin.
- Aid to invest in infrastructure intended to set up a teleworking system: Support companies that invest in tools aimed at allowing their employees to telework.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** In March 2020, the unemployment rate increased from 5.5% to 6.1% compared to February 2020. April statistics are not yet available.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** Three phases are currently planned:

- First phase: from 20 April 2020: resuming of building sites, outside work, hardware shops and recycling centers.

As of 4 May 2020, higher classes (with exams at the end of the year) and "non-emergency" medical activities will resume.

- Second phase: from 11 May 2020: classes in the lower secondary cycle will resume (divided into two groups, varying between face-to-face and teleworking from week to week.

Depending on the health situation, the reopening of shops, bar and restaurants will be considered.

- Third phase: from 25 May 2020: planned reopening of all schools, nurseries, day-care centres and holiday homes.

All major events are prohibited until 31 July 2020, including Luxembourg National Day festivities.

All these phases are flexible and can be adjusted (more or less restrictively) according to the health parameters and the evolution of the spread of the virus.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** Several financial supports are available to Luxembourg companies, amongst others:

- Partial unemployment;
- Flexibility for the payment of social security contributions;
- Taxation of telework in their country of residence for cross-border workers suspended until further notice;
- Emergency grant for small businesses;
- Repayable advance for any undertaking exercising a commercial, industrial or a craft activity (SMEs and large undertakings) and independent professionals ("professions libérales") who were active prior to the occurrence of COVID-19; and
- State support to obtain a bank loan.

# LUXEMBOURG

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## I. Lockdown Measures Across Europe- Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** Malta reported its first three cases of COVID-19 on the 7<sup>th</sup> March 2020 however to date (30<sup>th</sup> April 2020) the Maltese government has not declared a state of emergency.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** 53 days have passed since the first COVID-19 official registered case in Malta (current date of writing: 30<sup>th</sup> April 2020).

Measures introduced to enforce social distancing in Malta:

1. Period of quarantine: Any person arriving in Malta from any of the countries listed in point 3 below, was obliged to submit himself to a fourteen-day period of quarantine immediately upon his arrival in Malta.
2. Closure of Schools: On the 12<sup>th</sup> of March 2020, the Superintendent of Public Health (hereinafter Superintendent) ordered the closure of all schools to students and educators between the 13<sup>th</sup> of March up until the 20<sup>th</sup> of March (both dates included). Nonetheless, on the 21<sup>st</sup> of March a new order came into force, whereby the closure of schools was extended until the Superintendent repeals the said order.
3. Travel Ban: On the 12<sup>th</sup> of March 2020, the Superintendent ordered a travel ban on persons to and from any of the following countries – Italy, Switzerland, France, Germany, Spain, China, Singapore, Japan, Iran & South Korea. Moreover, as from the 21<sup>st</sup> of March, the said travel ban was extended on persons to Malta and from Malta to and from all countries. The following, amongst others, are exempt from the travel ban order: Cargo flights, ferry flights, humanitarian flights, repatriation flights and cargo ships.
4. Closure of courts: With effect from the 16<sup>th</sup> of March 2020, courts of justice and registry are to be closed and this order shall remain in force until revoked.

5. Closure of places open to the public: On the 18<sup>th</sup> of March 2020, an order came into force, whereby closure of places open to the public such as the following was ordered: restaurants, cafeterias, snack bars, cinemas, exhibitions, clubs, gymnasiums, indoor swimming pools, bingo halls, lotto booths, amongst others.

Restaurants, snack bars and kiosks may continue to provide delivery and take away services.

6. Closure of non-essential retail outlets: This order came into force on the 23<sup>rd</sup> of March. The Superintendent ordered the closure of all shops whereby their principle business related to the selling of clothes, sportswear, jewelry, handbags and leather goods, footwear, toy shops, discount stores, amongst others. This order also extends to hairdressers, barbers, beauticians, spas, nail artists, nail technicians and tattooists.
7. Suspension of organized events: This order came into force on the 23<sup>rd</sup> of March 2020. Whereby the Superintendent ordered the suspension of all organized events, including all cultural, recreational, entertainment, sporting and religion events and exhibitions in public or private spaces.
8. Protection of vulnerable persons: As at the 28<sup>th</sup> of March 2020, individuals who qualify as vulnerable persons (pregnant women, people over 65 years old, insulin dependent, immunosuppressed, amongst others) in terms of this order, shall limit the period outdoors to the least time possible and shall at all times exercise social distancing.
9. Number of persons in public spaces: On the 30<sup>th</sup> of March 2020, the Superintendent ordered that, in public spaces, groups of more than 3 persons are prohibited. This prohibition shall not apply to groups of persons in public places if the said persons live in the same residence. Furthermore, people waiting in queues or on bus stops must keep a distance of two meters between each other.
10. Mandatory non-essential travel between Malta and Gozo: On the 3<sup>rd</sup> of April 2020, the Superintendent ordered that travel between Malta and Gozo shall be limited.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** The Government announced the following measures (Wage Supplement Scheme) to assist employers in these anomalous times:

1. The original financial aid package had stipulated that the government would pay workers two days' wage based on an €800 monthly wage. The Government will now finance a full five-day work week at a minimum of €800 per month for all workers and self-employed in critical sectors (such as vehicle rentals, tour operators, travel agencies, security companies, creative arts, personal activities, amongst others) that were decimated by the coronavirus measures. This measure also applies to part-time employees at a reduced €500 per month.
2. Where the monthly salary of an employee exceeds EUR 800, the employer may be expected to pay the remaining part up to at least EUR 1,200. .
3. Employers that cannot afford the top-up of EUR 400 mentioned in point 2 above will have to obtain permission from the Director of Labour (DIER).
4. Government to finance one day per week in wages, based on a monthly pay of €800, for companies and sectors hit by reduced consumption (such as manufacturing & warehousing amongst others). This may eventually increase to two days. With regards to Gozitans in this particular sector, the government will be financing the equivalent of 2 days' salary.
5. Full time self-employed working in affected sectors who have employees will be entitled to two-days' salary per week equivalent to EUR 320 per month. Part-time self-employed shall be entitled to EUR 200 per month.
6. Grant of €800 per month (capped at four months) will be given to one of the spouses (who work in the private sector and are unable to work remotely) so that either spouse can stay at home with the children (since schools are closed).



7. Persons with disabilities who are unable to work from home and decide to stop working due to health concerns are entitled to an €800 per month for a specified period.
8. Individuals whose full-time employment has been terminated with effect from 9th March 2020 shall benefit from a temporary increase in unemployment benefit capped at €800 monthly.
9. A grant of €350 per employee to companies that have employees on mandatory quarantine.
10. Employers who have had a member of their staff (including themselves) on mandatory quarantine leave are entitled to a one-off lump sum grant of EUR 350 per employee on mandatory quarantine. The grant is also applicable for members of staff who had to quarantine themselves in view of possible contact with individuals who were directly at risk of infection, such as living in the same residence or in the same workplace. This measure only covers grants for full time employees.

Employees being supported through a COVID Wage Supplement cannot be made redundant by their employer.

The Wage Supplement Scheme was originally issued to cover for the months of March and April however as at the 30<sup>th</sup> of April 2020, the said scheme will now be extended to cover the months of May and June.

Furthermore, on the 20th March, the Maltese Government announced a tax deferral scheme to assist local businesses to improve their business liquidity and ease pressures on their cash flow arising from the economic impact of the coronavirus pandemic. Furthermore, the measures aim to encourage the retention of employees. Companies and self-employed persons that suffer a significant downturn in their turnover as a result of the economic constraints arising from the coronavirus pandemic are required to complete and submit an online application form available on the Malta Enterprise website and such application is to have been made by not later than the 15th April 2020. The scheme is eligible to taxes which fall due in March and April 2020. Eligible taxes (excluding VAT) are to be settled in four equal monthly instalments in the four-month period between May and August 2020. VAT dues are to be settled in two equal instalments with the two quarterly returns immediately following the quarter whose dues would have been deferred. It is

good to note that no interest or penalties are to be charged in respect of eligible taxes that would have been deferred in terms of the scheme.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case.***

**A:** To date (30<sup>th</sup> April), the last unemployment rate issued by the National Statistics Office is for March 2020 which is prior to the first Covid-19 case in Malta. The unemployment rate for February 2020 was 3.3% and the unemployment rate for March 2020 was 3.5%, so the unemployment rate increased by 0.1 percentage points.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** To date (30<sup>th</sup> April), Malta has not introduced an exit plan.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:**

- A three-month moratorium from banks for business or personal loans to alleviate the burden of bank loans.
- Up to €4000 per undertaking (limited to €500 per teleworking agreement) for businesses who invest in technology that enables teleworking and to partially cover such costs.
- A Guarantee Fund of €350 million has been allocated by Government for the purpose of guaranteeing loans granted by commercial banks in Malta to meet new working capital requirements of businesses facing cashflow disruptions due to the effects of the COVID-19.

# MALTA

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Malta



## I. Lockdown Measures Across Europe - Governmental advisories

### ***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** In the context of COVID-19, on March 17, 2020, the Parliament of the Republic of Moldova issued the Decision no. 55/2020 (hereinafter “the Decision”) by which the state of emergency was officially declared in the Republic of Moldova for a period of 60 days, until May 15 2020.

The Commission for Exceptional Situations of the Republic of Moldova declared that a gradual removal of the imposed restrictions is possible after May 15, however, restrictions will be removed step by step, after a prudent assessment, whereas, in case the number of infected people increases after the removal of a restriction, the respective restriction will be most probably reintroduced.

### ***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** Specific measures were instituted by the Decisions and Dispositions issued by the Commission of exceptional situations of the Republic of Moldova, whereas, the exercise of certain rights was limited during the state of emergency, such as: free movement, the freedom of meetings, the economic freedom, etc. The legislative rules enforcing social distancing introduced by the Dispositions are:

- all movements outside the household of all persons on the territory of Republic of Moldova, in groups of more than 3 people are prohibited with certain exceptions:
  - to go to work
  - to purchase food
  - to benefit of medical assistance that cannot be delayed
  - to assist old people
  - to perform work in agriculture
  - to provide legal assistance by lawyers and other legal professions (in case of preventive measures, urgent notarial acts, urgent enforcement and other urgent matters).
  - to perform individual physical activity near the house and other limited reasons.

- all public education institutions are closed (schools, universities are closed), the educational process is continued online and remotely only.
- all commercial flights are prohibited.
- certain urban and rural settlements are/were in total quarantine (e.g. the cities of Soroca, Ștefan Vodă, Glodeni but from May 8 to 11, 2020, the quarantine in these places will be ceased);
- all the shops have suspended their activity except for the ones selling food, pharmaceutical products, or cleaning services as well as medical optics services. (all the retail trade resumed on 27 April except for units located in shopping malls and markets)
- All the HORECA sector is closed (starting with April 22, 2020, it was allowed to sell the products to go and catering regime).
- all religious services with the presence of any attendance apart from the clerical staff the people was prohibited. The services, where possible, were streamed out in mass-media and online. From May 5, 2020, they religious service will be aloud with attendance only in the open-air courtyards of churches, monasteries, other religious denominations, with the obligatory observance of the social distance of at least 2 meters and with the obligatory wearing of protective masks by all attending persons.
- the non-emergency access to public healthcare is restricted;
- the activity of the courts of law continue only with regard to the special emergency cases, all the statutes of limitation and time limits do not start to run/are suspended.
- the remote work is recommended for all employers, and introduced in public institutions where possible (from March 30 to May 4, 2020 most of the employees in the public sector were sent home)

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** The government introduced certain policies and regulations to protect companies and their employees to overcome the negative impact of the COVID-19 epidemic such as:

- Measures to support the payment of technical unemployment stationing: All employers who have totally or partially ceased their activity in accordance with the decisions of the Extraordinary National Commission of Public Health and / or with the provisions of the

Commission for Exceptional Situations of the Republic of Moldova, are eligible to receive state aid for the payment of the employees in technical unemployment and stationing. The compensation is in the amount of the sum paid of the income tax, of the compulsory state social insurance contributions due by the employer, of the individual compulsory state social insurance contributions and of the compulsory health insurance in the form of a percentage contribution due by the employer and the employee, related to the indemnity / salary granted to the technically and / or stationary unemployment. For the other categories of employers who have totally or partially ceased their activity, they are granted 60% of the subsidy mentioned above.

- Some banks have extended the credit term for loans granted by credit institutions and non-banking financial institutions to individuals and companies.
- Measures to ensure the workers' health and security in all aspects related to work.
- Extension of deadlines for submitting tax returns and for payment for the advance payment of the taxes on profit of income.
- Postponing of VAT payment for companies importing drugs or equipment helping against the COVID-19 pandemic.
- Postponing of the deadline for the payment of the taxes for buildings, land and vehicles until 30 June 2020.
- No interest and late penalties will be calculated for the tax obligations due after 21 March.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** The National Agency for Employment (ANOFM) in 2020 implemented employment measures for 38 556 jobseekers, of which 17 338 new unemployed registered since the beginning of 2020 **(44,9%)**. According to the ANOFM database, on 5 May 2020, there were 26 964 unemployed. Between 1 April 2020 to 5 May 2020, 9 189 people were registered as unemployed. Most unemployed people were registered in Chisinau, Balti, Ocnita, Drochia, Ungheni, ATU Gagauzia. This is the highest unemployment rate in the last 5 years.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** At the moment the Republic of Moldova has not implemented an exit strategy or specific plans for the companies to recover from the crisis occurred due to COVID-19.

After the cessation of the state of emergency after May 15, there will still be certain bans. For example, the Minister of Health stated that they will not allow the resumption of planned dental activities. The HORECA sector may resume their activity after May 15 but will be also subject to certain restrictions.

The mandatory wearing of masks in closed public spaces and in public transportation will be imposed from 7 May 2020 in Chisinau Municipality.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** The Commission for Exceptional Situations of the Republic of Moldova has adopted a set of measures aiming to help the companies dealing with the effects of the new coronavirus (COVID-19) epidemic, regarding:

- Pursuant to provision no. 25 of 5 May 2020 during the state of emergency, the holders of the entrepreneurial patent and the natural persons who carry out professional activities in the justice and health sector and the persons who carry out the independent activity, are granted single unemployment aid in the amount of 2775.00 lei , provided that in March 2020 they did not achieve insured income.
- Pursuant to the provision no. 16 of April 10, 2020, the system and the way of subsidizing employers who totally or partially suspend their activity due to technical unemployment or stationary was approved.
- Some banks in the country have announced vacations of payments for all customers. Other banks negotiated individually with each client.
- Tax reporting and filing of tax returns have been postponed.

There are no official or specific financial support schemes approved by the Government to help the businesses to cope with the consequences of the lockdown or the post-COVID-19 recovery.



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# NETHERLANDS

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** No, there is no state of emergency in effect in the Netherlands.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** On 27 February, the first infection was detected in the Netherlands. On 9 March, the Prime Minister announced the first government measure: no more shaking hands. Since then, a lot of measures followed. The measures regarding social distancing can be summarized as follows.

### **Basic and ongoing measures**

- Wash your hands.
- Cough and sneeze into your elbow.
- Use paper tissues to blow your nose and discard them after use.
- Do not shake hands with others.
- Stay 1.5 metres (2 arms lengths, 5 ft.) away from other people.
- Work from home as much as/if possible. In this regard, the employer has a duty of care for a safe home workplace. The resources an employee needs to be able to work from home will generally have to be paid by the employer.
- Shops and (super)markets are open, but everyone must be 1.5 metres away from others in the shop. Shops are allowed to have a maximum of one customer per ten square metres so that people can keep a distance.
- People cannot form groups of more than 2 people in public if they are less than 1.5 metres away from one another, regardless of whether or not this is intentional.
- Meetings necessary for the continuation of the daily work of companies are still allowed. A maximum of 100 persons may be present, the hygiene measures must be observed and sufficient distance (1,5 metres) must be maintained.
- Courts, tribunals, and special colleges continue to work, as far as possible, remotely and by digital means. From 11 May, litigation with litigants in the courtroom will also be possible again to a limited extent, if the physical presence of the parties is necessary. Criminal cases, juvenile (criminal) cases and family cases have priority.

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The authorities will take action against groups of more than 2 people (other than members of the same household and children aged 12 and under) who are not keeping a 1.5 metre distance from each other. People over 18 can be fined €390. Those aged under 18 can be fined €95. Individuals organising a gathering or event, as well as companies, can be fined anything up to €4,350.

## **Additional measures for people that are sick**

- Stay at home if you have mild cold-like symptoms, such as a sore throat, a runny nose, sneezing, a mild cough or a fever below 38 degrees Celsius.
- If you have a fever above 38 degrees Celsius or shortness of breath, you and anyone you live with should stay at home. If you feel better and have not had any symptoms for 24 hours, you can go outside again.

## **Step by step**

The Dutch approach has worked well in bringing coronavirus under control. The Dutch government announced on May 6th that although the risk has certainly not disappeared, we can gradually allow ourselves more freedom. The government will start by relaxing restrictions at local or neighbourhood level. That will not make our streets, traffic and public transport much busier. The government will then relax restrictions at regional level and finally at national level. First small gatherings will be allowed, and later larger gatherings, so that everything remains as manageable and orderly as possible. The details will be worked out in the weeks ahead.

From 11 May the following will apply:

## **Schools**

- Primary schools, including special primary schools, and childcare providers will reopen on 11 May.

## **Sports and play**

- Children aged 12 and under will be allowed to play sports and take part in other activities together outdoors under supervision.

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- Young people aged 13 to 18 will be allowed to play sports together outdoors under supervision but must stay 1.5 metres apart.
- Adults can play sports outdoors from 11 May as long as they can stay 1.5 metres apart. Matches and competitions are not allowed, and nor is the use of shared changing rooms. Showers may only be taken at home.

## Contact-based roles

- Most people in contact-based roles will be allowed to perform their jobs again. This includes driving instructors, medical and paramedical professionals (dietitians, massage therapists, occupational therapists, prosthodontists, etc.), hair and beauty professionals (hairdressers, beauticians, pedicurists, etc.) and alternative medicine practitioners (acupuncturists, homeopaths, etc.).
- They should stay 1.5 metres apart from their clients wherever possible.
- They should see clients by appointment only and assess possible health risks beforehand together with the client.

## Public transport

- Only use public transport if there is no alternative. Avoid rush hours and keep as far apart as possible.
- You are advised to wear a non-medical face mask on public transport. From 1 June this will be compulsory.

## Face masks

In some situations it is impossible to stay 1.5 metres apart. It will therefore be compulsory to wear (non-medical) face masks on public transport from 1 June.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** Depending on the type of business, an employer can apply for several emergency measures.

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Financial measures	For whom	Apply to
<b>NOW</b> – Covers (part) of the wage payments	Employers who experience at least 20% turnover loss	Employee Insurance Agency UWV
<b>Tozo</b> - Income support, depending on the income and the household situation, it can amount to a maximum of €1,500 (net).	All self-employed professionals: zzp, dga's, partners in partnerships, etc.	Municipality of residence
<b>TOGS</b> - a one-time reimbursement of €4,000,-	All companies selected by the government in a specific number of sectors that have been affected by the corona measures	Netherlands Enterprise Agency, RVO
Compensation for horticulture and floriculture	Horticultural and floricultural businesses	Netherlands Enterprise Agency, RVO
Extension of employment contract reporting duty	Employers	Dutch Tax Administration
Indirect Emission Costs Subsidy Scheme (ETS)	Aluminium, steel, fertiliser, paper or plastics manufacturers	Netherlands Enterprise Agency RVO

Tax Measures	For whom	Apply to
Payment extension for VAT, income tax, vpb, payroll tax	All companies and self-employed professionals	Dutch Tax Administration
Payment extension for landlord levy, betting and lottery tax, environmental taxes, excise duty, insurance premium tax	All companies and self-employed professionals	Dutch Tax Administration
Unblocking g-accounts	All companies that second employees	Dutch Tax Administration
Tax collection interest rates decreased	All companies and self-employed professionals	Automatic
Tax interest rates decreased	All companies and self-employed professionals	Automatic
No fines for overdue tax payments	All companies and self-employed professionals	Automatic
Regional Water Authority Tax payment extension	All companies and self-employed professionals	Your Regional Water Authority
Payment extension for energy tax and Sustainable Energy Surcharge (ODE)	All companies that pay monthly energy bills	Your energy provider
Tourist tax extension	All hospitality accommodations	Municipality of residence

Credits and guarantees	For whom	Apply to
<b>BMKB-C</b>	SMEs and self-employed professionals (except for a few specific sectors)	Your credit provider
<b>BL</b>	Agricultural entrepreneurs	Your credit provider
<b>COL</b>	Startups and scale-ups	Regional development companies (ROMs)
<b>Qredits</b>	SMEs and self-employed professionals	Qredits
<b>GO</b>	SMEs and large companies	Your credit provider
<b>Export credit insurance</b>	Companies that conduct international business	Atradius
<b>DTIF</b>	Companies that conduct international business	Netherlands Enterprise Agency, RVO

The NOW-scheme is the most popular scheme. It works – in short – as follows. An employer who expects at least 20% *loss of turnover* for three consecutive months can receive *compensation* for

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these *wage costs* for the employees employed by him. On the basis of the *application*, which can be submitted from 6 April 2020 to 31 May 2020 the UWV will provide an advance payment amounting to 80% of the expected compensation. In retrospect, the actual reduction in turnover will be determined. An adjustment will also be made if there is a reduction in the wage bill of the employer. With the application, the employer commits himself in advance not to apply for dismissal on economical or organizational reasons for his employees during the period for which the compensation is received.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** At the time of writing, the most recent figures are from the month of March. The percentage of people aged 15 to 75 in gainful employment fell to 69.1 percent in March. The decrease was the strongest in 6 years. In January and February, the employment rate still peaked at 69.3 percent.

The number of unemployment benefits paid has also risen sharply. The number of unemployment benefits rose by 42 percent relative to February and by 53 percent relative to March last year.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** Yes, certain restrictions will be lifted from 11 May. The government wants to proceed step by step, together with businesses and organisations that have made plans for a 1.5 metre society. Restrictions can only be lifted if the virus remains under control. People must continue to maintain a distance of 1.5 metres from others. The Dutch government stipulated that if the circumstances so warrant, any decision to relax measures can and must be reversed.

#### **Expected measures from 1 June**

If the virus remains under control, the following will be possible:

- secondary schools will reopen (the details still have to be worked out);
- cafés and restaurants may reopen outdoor seating areas as long as people can stay 1.5 metres apart;

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- cinemas, restaurants, cafés, and cultural institutions (such as concert venues and theatres) will reopen, subject to certain conditions:
  - a maximum of 30 people (including staff). People must be able to stay 1.5 metres apart;
  - visitors must reserve beforehand;
  - the owner will discuss with customers beforehand whether their visit entails risks.
- museums and heritage sites will reopen. Visitors must buy tickets beforehand, to ensure people can stay 1.5 metres apart.
- Public transport will be running at full speed again. People travelling on public transport will be required to wear a non-medical face mask.

## **Expected measures from 15 June**

If the virus remains under control, secondary vocational education (MBO) schools can reopen for exams and practical training. Plans are being drawn up for reopening MBO schools, institutions for higher professional education (HBO) and universities more fully at some point in the future.

## **Expected measures from 1 July**

If the virus remains under control, shared toilets and shower blocks at campsites and holiday parks can reopen on 1 July. The maximum number of visitors to cinemas, restaurants, cafés and cultural institutions can hopefully be increased to 100. This increase would also apply to the maximum number of participants at organised gatherings, such as church services, weddings, rehearsals and funerals.

## **Expected measures from 1 September**

If the virus remains under control, gyms, saunas, health spas, club canteens, cannabis cafés, casinos and sex establishments will reopen. People of all ages will be allowed to take part in contact sports and indoor sports. Sports events, including professional football matches, can take place without spectators.

A decision regarding mass spectator events such as festivals and major concerts will be taken before 1 September.

For employers it means that they will have to make plans for the so-called “1.5 metre society”.

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***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** For the financial support scheme, please see above. The NOW scheme covers the wage for the months March, April and May 2020. The NOW scheme may be extended once for a further period of 3 months. If the scheme will be extended, further conditions may be added. The conditions under which an extension can take place have not yet been determined. The Dutch government will take a decision on this before 1 June 2020, so that any second tranche will be in line with the first application period ending on 31 May 2020.

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** Yes, Norway has been partially locked down with effect from 10 – 13 March 2020. The lockdown is still in effect. The measures are for certain areas gradually reduced, but most measures are still effective, and it is uncertain how long they will be in effect.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** Essential measures and recommendations for enforcing social distancing introduced in Norway are:

- In general, restrictions on gatherings of more than 5 persons. Requirements to keep distance of minimum one meter.
- Work from home recommendation for non-essential employees both public and private sector
- Avoid public transport if possible
- Large scale close down from 13 March of all cultural events, sports events and sport activities, bars, nightclubs, pubs, sports facilities, hairdressers, beauty shops, swimming pools, physical therapists, psychologists, etc. Hair dressers and certain health service have re-opened with restrictions from 27 April.
- Most public offices, universities etc are closed for public.
- Schools and kindergartens closed 13 March. Kindergartens re-opened 20 April, and schools for kids on 1 through 5 grades, re-opened 27 April.
- Government advises against all non-essential international travels
- Entering Norway – Border closed for foreigners without residence permit. Exception for EU/EEA citizens living or working in Norway
- Mandatory quarantine for 14 days for everyone entering except persons who are strictly necessary to maintain the proper operation of critical public functions or attend to the basic needs of the population

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers’ keep the employment rate the same as before the lockdown?***



**A:** Yes, relevant measures introduced to keep unemployment rate down include:

- Temporary layoffs - Employees who are temporarily laid off as a result of the COVID 19 situation will be supported by the government from day 3 of the layoff. The notification period for temporary layoffs is in most cases reduced from 14 days to two days. The employer will have to pay salary for two days from the start of the layoffs and the government will compensate the benefits up to the maximum 18 days. Thereafter, employees will be entitled to ordinary Norwegian unemployment benefits (80%/62,5% of salary up to certain levels).
- Reduced employer period for Sick Pay - For sick pay related to the COVID 19 situation, the employer period for payment is reduced from 16 to 3 days. Self-employed persons and freelancers will also be eligible to receive sick pay.
- Extended Home Care Benefits - Home care benefits for employees, self-employed persons or freelancers who stay at home with children (under 12 years) because schools or day-care have closed are extended from 10 to 20 days. The employer period for the payment of the care benefits is reduced to 3 days.
- Tax/social security relief packages
  - o Companies can defer payment of employers' social security contributions (payment 15 May deferred to 15 August), advance tax on profits (payment 15 March is deferred to 1 May, and payment 15 April is deferred to 1 September) and VAT (payment 14 April is deferred to 10 June). Owners can apply for one year delay in payment of wealth tax.
  - o Lossmaking companies can reverse deficit against taxed profits from previous years. The tax value of the loss in 2020 will be paid out to the companies at the tax settlement in 2021.
  - o To support hotels and tourism in particular, the VAT-rate of 12 per cent for certain services will be reduced to 8 per cent with effect from 1 January 2020.
  - o To support the airlines, air passenger duty for flights in the period from 1 January 2020 to 31 October 2020 are temporarily cancelled. All airport fees are removed through June 2020.
  - o The employers' social security contributions, "pay roll tax" (No. "arbeidsgiveravgift") has been reduced by 4% (for most employers from 14,1% to 10,1%) for two months (May/June 2020).
- Business compensation scheme – The Norwegian government has introduced a compensation scheme for otherwise sustainable businesses with at least 30 percent

drop in revenue due to the virus outbreak. The amount of support will depend, among others, on the size of revenue loss, the size of the enterprise's unavoidable fixed costs and whether the enterprise has been ordered by the government to close.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

A: The current unemployment rate in Norway is 10,7 percent (including temporary layoffs). The unemployment rate in Norway was 2,3 percent before the COVID-19 situation started.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

A: No, no overall exit strategy has been introduced yet. Release of the restrictions are under constant evaluation.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

A:

- General business compensation scheme – The Norwegian government has introduced a compensation scheme for otherwise sustainable businesses with at least 30 percent drop in revenue due to the virus outbreak. The amount of support will depend, among others, on the size of revenue loss, the size of the enterprise's unavoidable fixed costs and whether the enterprise has been ordered by the government to close. Businesses get coverage from the government of up to 90 percent of their fixed costs.
- Specific compensation packages have been introduced to certain business sectors

# NORWAY

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** A so called “state of epidemic” was introduced on March 20, 2020. The time of its duration is not defined. In the state of epidemic specific limitations to the freedom of movement, functioning of work plants and other institutions, may be introduced by way of governmental orders (individual or general), each time adjusted to the circumstances. It also allows implementing certain measures addressed to control or prevent spread of the disease.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** First measures were introduced on March 13, 2020, which is 9 days after first confirmed case of disease in Poland. The measures are adjusted regularly according to the circumstances. Current measures regarding, among others, covering face and mouth in public places, are in force since April 16, 2020 until revoked.

All of the above mentioned measures have been implemented and remain in force, except that:

- ✓ the production was not stopped in general, but certain requirements imposed might have substantially limited ability of particular plants to operate properly and led to their lockdown; also, some production plants were closed by way of individual sanitary authorities’ orders
- ✓ the shops are open for business, except for shopping malls above 2 k square meters, in which only certain types of facilities remain open (pharmacies, groceries etc.)
- ✓ certain businesses are banned from operation, such as hairdressers, beauty salons, bars and restaurants, gym centers, hotels
- ✓ the work from home requirement is a general recommendation, but not a statutory measure; the employer may also require work from home in case the employee is covered by obligatory quarantine or other threat of exposure to SARS-CoV-2 exists.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** In Poland a number of new solutions have been adopted to help employers keep the employment rate in a period of reduced demand workforce. Below are presented the main tools of so called “anti-crisis shield” addressed to the employers:

- **More flexible working time**

The legislator provided for regulations aimed at making working time more flexible. Based on these provisions, the employer may limit uninterrupted daily rest and conclude a general agreement with employees on the introduction of an equivalent working time system. The above solutions are supposed to enable employers to limit the working time during the period of lower demand for workforce due to restrictions relating to COVID-19 outbreak, and use this time later to compensate the losses after a period of downtime.

- **Application of less favorable employment conditions**

The new provisions allow the employer to conclude a general agreement with employees on the use of less favorable employment conditions than those resulting from employment contracts. Such an agreement may concern, for example, pay conditions or working time. This solution allows employers to change employment conditions without the need to individually negotiate the change of particular employment contracts.

- **Co-financing of remuneration and social security contributions**

The special regulations provides for two main forms of financial support for entrepreneurs which aim to protect employment in companies, despite economic difficulties.

In the first of these forms, employers who have experienced **economic downtime or reduced working time** as a result of a decline in economic turnover caused by COVID-19 may be able to apply for the funding from the Guaranteed Employee Benefits Fund (GEBF).

The second form of financial support is implemented by the county governor through the county labor offices.

These forms of co-financing shall be also mentioned in the section “III. Exit strategies and economic support” below.

- **Exemption from social security contributions**

Employers employing up to 49 employees may apply for exemption from social security contributions for a period of three months (March-May 2020). The exemption will amount to 100% of the total amount due for contributions if the employer employs less than 10 employees and 50% if the employer employs from 10 to 49 employees.

- **Postponing the date of introduction of Employee Capital Plans**

Employee Capital Plan (ECP) is a long-term retirement saving plan which is an addition to current pension saving scheme financed in part by employers, employees and the State budget. The deadline for introduction of ECP for entities employing at least 50 persons as of June 30, 2019, has been postponed until October 2020. This means, that the previously planned rise of employment-related costs concerning the introduction of ECP, has been postponed for the above-mentioned entities by 6 months.

A number of adopted solutions have been widely criticized, as being insufficient to effectively support entrepreneurs in these challenging times. However, part of the proposed changes affecting entrepreneurs' activities should be considered positive and are quite popular among entrepreneurs. Sadly, due to the limited resources allocated for this purpose, it should be borne in mind that not all entrepreneurs who meet the formal criteria will be able to use these forms of assistance. Importantly, Polish government is currently working on further solutions under the so-called anti-crisis shield.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** According to the Central Statistical Office, at the end of March 2020 the registered unemployment rate was 5.4%, i.e. in relation to the results from February 2020 it decreased by 0.1 percentage point (in March 2019, the rate was 0.5 percentage points higher), which means

that the slowdowns caused by the epidemic crisis had not yet been reflected in official statistics. Unfortunately, this trend is unlikely to continue in the coming months.

### III. Exit strategies and economic support

**Q: Has your jurisdiction introduced an exit strategy?**

**A:** Yes, Poland has introduced a 4-stage exit strategy entitled “New Normality”. Except for the first two stages, which have already been introduced there have not been any dates provided for the next stages to become effective. The stages have been envisioned as follows:

- **1<sup>st</sup> stage effective from April 20, 2020 until rescinded:**

as regards business activity

new rules have been introduced in particular with respect to trade and services’ sectors (e.g. in stores with an area of up to 100 m<sup>2</sup> four people have been allowed to checkout, in larger stores (over 100 m<sup>2</sup>) one person per 15 m<sup>2</sup>. Certain businesses, however, are still banned from operation, such as hairdressers, beauty salons, bars and restaurants, gym centers.

- **2<sup>nd</sup> stage – beginning May 4, 2020 until rescinded:**

as regards business activity:

- a. shopping centers and large area stores may be open, but with a limited number of people and without possibility to render certain types of services e.g. fitness, recreation, playground and meals’ area,
- b. hotels and other accommodations sites may be open with restrictions e.g. no fitness or swimming pool areas are allowed,
- c. large construction stores may be open on weekends;

as regards social life:

- a. certain cultural institutions e.g. libraries, museums, art galleries may be open following consultation with the local sanitary and epidemiological station;
- b. therapeutic rehabilitation may be resumed with observance of additional requirements.

**beginning May 6, 2020 until rescinded** – activity of nurseries and kindergartens may be resumed with further restrictions and conditions e.g. a local government unit may close all nurseries and kindergartens in its area on the basis of existing general provisions. This exit

strategy is expected to have a significant impact on employees, which would be willing to get back to work e.g. at production sites etc.

- **3<sup>rd</sup> stage (no date has been envisaged yet):**

- as regards business activity:

- a. opening of restaurants, cafés and bars with restrictions (currently these facilities can only provide takeout and delivery services);
    - b. opening of hairdressing and beauty salons,
    - c. opening of stores in shopping malls with significant restrictions;

- as regards social life:

- sport events up to 50 people (in an open space, without audience participation) shall be allowed

- **4<sup>th</sup> stage – (no date has been envisaged yet):**

- as regards business activity:

- a. opening of massage parlors and solariums,
    - b. enabling gyms and fitness clubs to operate,

- as regards social life:

- enabling theaters and cinemas to operate in the new sanitary regime

As mentioned in the Section “I. Lockdown Measures Across Europe- Governmental advisories” above, simultaneously with gradual exit from lockdown, sanitary precautions have been introduced beginning April 16, 2020 until further notice. These measures encompass in particular an obligation to cover your mouth and nose in public transport and public places and an obligation to maintain at least a 2-meter distance between pedestrians. The above rules have certain exceptions e.g. people having breathing problems or children under age of 4 do not need to cover their mouth and nose.

The potential effect on employment relationships of the above easing lockdown restrictions is of course very hard to predict. However, we generally believe that the more certain and predictable exit strategy envisaged by the government the more confidence for business and therefore the more willingness of the employers to keep the employment at the rate comparable to the one before the lockdown. As pandemic COVID-19 will stay with us for some more time, while going back to work the health and safety regimes shall be of great importance. The employers’ associations keep working on a system of good practices related to the protection and hygiene of workplaces that would protect their employees and clients from the risk of coronavirus infection. As results



from the employers associations' statements the employers in Poland do not generally perceive the incurring of additional costs for the possible security of their employees and clients as barriers to returning to the market. Looking at the subject matter from another angle, we expect that - where possible - the employers will be willing to continue advising for the work of their employees to be performed remotely. Thus, the general percentage of employees performing their work remotely shall be expected to increase in comparison to the times before lockdown.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** The Polish government has introduced a number of financial support schemes to help businesses cope with the consequences of the lockdown under a so-called **anti-crisis shield** adopted on March 31, 2020 which was then subsequently amended by introducing a so-called **anti-crisis shield 2.0** adopted on April 17, 2020.

The aforementioned acts provide for two main forms of financial support and other tools for entrepreneurs, which aim to protect employment in companies, despite economic difficulties, i.e.:

- **co-financing of remuneration from the Guaranteed Employee Benefits Fund** in the event of downtime or reduced working time. This funding requires agreement with trade union organizations or employee representatives. In theory this aid shall be available for all entrepreneurs employing staff who fulfill certain criteria, in particular demonstrate a certain level of decrease in economic turnover.
- **co-financing of remuneration by the district governor for entrepreneurs in the biggest crisis.** This solution shall be applicable to micro, small and medium-sized entrepreneurs (i.e. it does not apply to large companies), who meet certain criteria, including significant decrease in economic turnover. The given form of funding provides for a short 14-day deadline for submitting application counted from the appropriate announcement in a given district (powiat).

Based on regulations currently in force, both types of funding shall be granted for 3 months from the month in which the application for obtaining thereof is submitted. This period may be extended depending on the extension of the so-called "state of epidemic".

# POLAND

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- **Anti-Crisis Shield 3.0.** is expected to be introduced soon, which as regards aid for entrepreneurs does not introduce significant changes apart from extending the number of entities, who can benefit from social security contributions' exemption.
- Further, in the end of April the programme entitled the “**Financial Shield**” of the Polish Development Fund (**PFR**) has been introduced. Currently the programme is available for micro, small and medium-sized enterprises. The given funding shall take form of partially non-repayable subsidies operated through the electronic banking systems of selected banks, which are already accepting applications. The given funds may be allocated e.g. to cover operating costs or to pay off loans.

The Financial Shield for large companies (i.e. employing over 250 employees) will include debt financing and capital commitment. Although, its launch has not yet been approved by the European Commission, the PFR is already accepting initial applications from large companies.

The general opinion, in particular expressed by the employers' organizations is that the given measures may in fact support – to certain extent - micro, small and medium entrepreneurs, but will not have significance for “big players” except for – possibly - the Financial Shield, which has not yet launched with respect to large companies and is highly anticipated. As mentioned, due to the limited resources allocated for the purpose of financially supporting entrepreneurs not all of the entities meeting formal criteria might in the end benefit from the provided aid. Due to criticism of the adopted measures, in particular with respect to the initial anti-crisis shield as being insufficient, the Polish government continues to work on further solutions to support Polish entrepreneurs in these challenging times.



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## I. Lockdown Measures Across Europe- Governmental advisories

### ***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** In the context of COVID-19, on 16 March 2020, the President of Romania issued the Presidential Decree regarding the state of emergency no. 195/2020 (Decree) by which it was officially declared the state of emergency in Romanian for a period of 30 days. At the present, the duration of the state of emergency in Romania was extended until 15 May.

The President of Romania declared that a gradual relaxation of the imposed restrictions is possible after 15 May, however, restrictions will be removed step by step, after a prudent assessment, whereas, in case the number of infected people increases after the removal of a restriction, the respective restriction will be most probably reintroduced.

### ***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** Specific measures were instituted by the Decree and other Military Ordinances, whereas, the exercise of certain rights was limited during the state of emergency, such as: free circulation, the freedom of meeting, the right of private property, the right to education, the economic freedom, etc.. The legislative rules enforcing social distancing introduced by the Decree and other Military Ordinances are:

- all movements outside the household of all persons on the territory of Romania are prohibited with certain exceptions:
  - to go to work
  - to procure food
  - to benefit of medical assistance that cannot be delayed
  - to assist old people
  - to donate blood
  - to perform work in agriculture
  - to perform individual physical activity in the nearby of the house and other limited reasons.
- all public education activities are suspended (schools, universities are closed)
- all commercial flights are prohibited
- certain localities are in total quarantine

- the shops located in commercial centers will suspend their activity except for the ones selling food, pharmaceutical products, or cleaning services as well as medical optics services and retail of electronic
- the bars and the restaurants are closed
- all religious events may be held without people and streamed out in mass-media and online
- the non-emergency access to public healthcare is restricted
- the activity of the courts of law continues only with regard to the special emergency cases, statutes of limitation and time limits do not start to run/are suspended
- the work-from-home is recommended for all employers, and introduced in public institutions when possible

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** The government introduced certain policies and regulations to protect companies and their employees to overcome the negative impact of the COVID-19 epidemic such as:

- Measures to support the payment of technical unemployment: All employers who reduce/interrupt the activity, totally or partially, may receive the state aid for the payment of the employees in technical unemployment a compensation of 75% of the basic wage corresponding to the workplace occupied, however, not exceeding 75% of the average gross wage forecasted for 2020
- Prolonging of the credit term for loans granted by credit institutions and non-banking financial institutions to individuals and companies
- Measures to ensure the workers' health and security in all aspects related to work
- Paid days off for one of the parents of children aged up to 12 years (or up to 18 years for children with disabilities), during the temporary closure of the educational units, under certain conditions
- Postponing of the payment of rent and utilities for small and medium companies, lawyers, dentists, and other professionals
- Discount for the advance payment of the taxes on profit of income

# ROMANIA

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- Postponing of VAT payment for companies importing drugs or equipment helping against the COVID-19 pandemic
- Postponing of the deadline for the payment of the taxes for buildings, land and vehicles until 30 June 2020
- No interest and late penalties will be calculated for the fiscal obligations due after 21 March

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** Romania's unemployment rate increased to 4.6 percent in March 2020 from 3.9 percent in February 2020, whereas, this is the highest unemployment rate since November 2017.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** For the moment Romania has not implemented an exit strategy or specific plans for the companies to recover from the crisis occurred due to COVID-19. However, on 4 May, the President of Romania declared that Romania will not extend the state of emergency after 15 May, however, will impose a state of alert allowing a modest relaxation of the restrictions imposed during the state of emergency. The Romanians will not be allowed to go out to the restaurant or the mall or to leave the locality immediately after 15 May, without a serious reason such as:

- work interest
- health problems
- individual sports

The restriction related to the meetings with more than three people will remain.  
The wearing of masks in closed public spaces, in public transport will be imposed.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

# ROMANIA

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**A:** The Romanian government has adopted a set of measures aiming to help the companies dealing with the effects of the new coronavirus (COVID-19) epidemic, with regard to:

- fiscal measures by the Government Emergency Ordinance no 33/2020 such as granting discount for the payment in advance of the taxes on profit of income, postponing of VAT payment for companies importing drugs or equipment helping against the COVID-19 pandemic, etc.
  - financial and banking measures by the Government Emergency Ordinance no 37/2020 such as certain facilities for loans granted by credit institutions and non-banking financial institutions to certain categories of debtors, etc.
  - state aid scheme to support small and medium companies by the Government Emergency Ordinance no. 42/2020 of 4 April 2020 such as measures to guarantee loans and to subsidize interest, as well as the related commissions, allocated to the small and medium companies, etc.
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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** No general “state of emergency” is declared in Russia as of today. Borders were closed on 30 March 2020 based on a special Order by the Government. Instead, serious restrictions comparable to those applied in other European countries have been introduced on regional level starting from Moscow where the restriction are in effect since 29 March 2020 followed by St. Petersburg and other cities and regions in early April 2020. Generally, all regional regimes are very close to each other and they are in place up to 11 May 2020, inclusively, when the May holidays end. The victims of COVID-19 were identified in Russia somewhat later as compared to continental Europe but according to the statistics the virus continues to spread and there is no declining tendency yet. In the given circumstances, it is uncertain whether the restrictions will be extended in the form they are currently in force or gradually lifted.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** The first COVID-19 case was officially registered as early as on 31 January 2020. The first officially registered patient was a non-Russian citizen while the first Russian citizen infected was reported as late as 1 March 2020.

Social distancing is in place throughout the country based on regional legislative rules. Social distancing was first introduced in Moscow where the restriction is in effect since 29 March 2020 based on the Order of the Mayor. Social distancing have been introduced also in St. Petersburg and in other cities and regions in early April 2020. The regional regimes are effective until 11 May 2020, inclusively, when the May holidays end.

Below is the list of the most significant measures currently in force:

- ✓ land borders closure;
- ✓ non-essential movements in and outside the country ban;
- ✓ schools and universities closure;
- ✓ non-emergency access to public healthcare restrictions;
- ✓ non-essential production stopped;
- ✓ shops closure and business closure (please give examples);

# RUSSIA

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- ✓ outside activities restrictions (parks and public recreation areas closure);
- ✓ social and sports events;
- ✓ work from home requirements;
- ✓ non-essential open court hearings ban.

Masks wearing is mandatory in several cities and regions but not yet in Moscow or in St. Petersburg.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

No formal restrictions on terminations, redundancies or temporary lay-offs are in place in Russia. However, the Executive Order by President Putin which declared April as “non-working month” make it difficult, if not impossible, to use any of these measures. The concept of “non-working days” is new for labor legislation - they are not either ‘days off’ or ‘public holidays’.

De facto, the “non-working days” extended until 11 May 2020 mean that the employers have been forced to organize work remotely and if this is not possible the employees are anyway entitled to their salaries notwithstanding if they actually work or not:

- ✓ employers must prohibit their employees from coming to office, otherwise the employer will be subject to administrative liability. There are hotlines and online services of the labour inspection and Rospotrebnadzor where employees may file complaints;
- ✓ employers have no legal means to oblige employees to work during ‘non-working days’ either remotely or at office. If an employee refuses to work remotely, he cannot be dismissed or otherwise punished;
- ✓ employers may assign work for the employees who agree to work remotely, as usual, and such work is paid at the normal rate.

Only medical institutions, certain non-stop businesses, pharmacies, food stores, essential service providers and the like companies which are impossible to close down are excluded. Evidently, most companies do not fall under any of these categories.



# RUSSIA

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Tax and other reliefs are available for small and medium businesses as well as private entrepreneurs operating in the businesses most severely hit by pandemic circumstances. For additional information please see Section III below.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** The unemployment rate remains unchanged since March 2020 when the unemployment rate was recorded at 4,7% (i.e. around 3,500,000 unemployed). It is fair to assume that the Executive Order by President Putin which declared April as “non-working month” has contributed to the moderate unemployment rate. As explained above, the employers have been forced to organize work remotely and if this is not possible the employees are anyway entitled to their salaries notwithstanding if they actually work or not. The “non-working” regime was extended until 11 May 2020 and dismissals are likely to follow after the regime ends.

## III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** Russia has not introduced an exit strategy so far. The exit strategy will, however, be discussed in the coming week when the holiday season ends.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** There are several financial support schemes currently in place to help especially small and medium size enterprises as well as private entrepreneurs to overcome the crises. Special attention is paid on sectors which are most seriously hit by the current restrictions such as:

- ✓ transportation and aviation land borders closure;
- ✓ arts, and entertainment;
- ✓ physical education and sports;
- ✓ tourism and hospitality;
- ✓ additional education;
- ✓ certain services (repairs and cleaning, hairdressers, laundries and similar).

# RUSSIA

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The financial support schemes include:

- ✓ moratorium on loans up to 6 months. In addition to small and medium enterprises and private entrepreneurs, the moratorium is available also to consumers (individual borrowers) whose income decreased by 30% as compared to the previous year;
  - ✓ deferral of 3-6 months when paying corporate income tax (other than VAT) and/or social contributions due in 2020. The term of deferral varies depending on the type of tax;
  - ✓ decreased tariffs in social contributions;
  - ✓ deferral of the rent payable in 2020. Landlords are to agree on deferrals until 1 October 2020 provided that the tenants are operating in specified sectors and certain other conditions are met with;
  - ✓ lending on preferential terms.
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## I. Lockdown Measures Across Europe - Governmental advisories

### ***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** The state of emergency in the entire territory of the Republic of Serbia was declared on 15 March 2020 by the joint decision of the President of the Republic of Serbia, President of the National Assembly and the Prime Minister of the Republic of Serbia.

This decision was published in the Official Gazette of the Republic of Serbia on the same day and entered into force immediately after its publication. On 29 April 2020 the National Assembly confirmed this decision.

The decision on the state of emergency can be effective for 90 days at the most. Upon expiry of this period, the National Assembly may extend the decision on the state of emergency for another 90 days.

According to the latest announcement, the state of emergency is expected to be ended soon.

The main characteristic of the state of emergency is that some of the constitutionally guaranteed rights may be temporarily derogated by the adopted measures. However, the Constitution of the Republic of Serbia prescribes that some fundamental human rights cannot be derogated even during the state of emergency (for example, right to life, inviolability of physical and mental integrity, right to a fair trial, etc.).

### ***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** The Government of the Republic of Serbia adopted various decisions and regulations aimed to enforce social distancing. First measures in this regard were introduced immediately after the state of emergency was declared, *inter alia*:

- (i) on 16 March 2020 the Government of the Republic of Serbia adopted the regulation prescribing that during the state of emergency, the employer is obliged to enable employees to perform work from home, at all workplaces where such work can be organized;
- (ii) on 18 March 2020 the Government of the Republic of Serbia adopted regulation prohibiting movement of the persons who are 65 years old and older - in populated areas with more than 5.000 inhabitants, as well as to persons who are 70 years old and older - in populated

# SERBIA

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areas up to 5.000 inhabitants, as well as to all persons between 5 PM and 5 AM next day, except on Saturdays when the ban lasted from 3 PM to 3 AM next day and on Sundays when this ban lasted from 3 PM to 5 AM next day.

First COVID-19 case was officially confirmed on 6 March 2020.

Currently, in the Republic of Serbia the following measures are in force:

- ✓ prohibition of movement for senior citizens (the age threshold is 65 in populated areas with more than 5.000 inhabitants, and 70 in populated areas with fewer than 5.000 inhabitants), except in certain periods of time and under certain conditions;
- ✓ prohibition of movement for all population groups in a period from 6 PM to 5AM next day, provided that this measure is changed on a daily basis in accordance with the decisions of the Government of the Republic of Serbia;
- ✓ a temporary ban on the export of essential products, such as protective masks, protective gloves, sunflower oil, etc.;
- ✓ the closure of all land borders to Hungary, Romania, the Republic of Bulgaria, the Republic of North Macedonia, Montenegro, Bosnia and Herzegovina and the Republic of Croatia;
- ✓ the suspension of work of pupils' and students' accommodation centers;
- ✓ the suspension of work of all higher education institutions, secondary and primary schools and preschool education institutions;
- ✓ ban on public gathering of more than 2 people;
- ✓ ban on visits and restriction of movement in the facilities of institutions for accommodation of elderly persons;
- ✓ ban on the establishment of air traffic, intercity bus and rail passenger traffic, as well as city public transportation;
- ✓ non-emergency access to public healthcare restrictions;
- ✓ all sports facilities and facilities for the elderly are closed;
- ✓ ban on holding non-urgent court hearings.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** The Government of the Republic of Serbia adopted the Regulation on Fiscal Benefits and Direct Aid to Private Sector Entities and Financial Aid to Citizens to Mitigate the Economic Impact of COVID-19 (hereinafter: the “**Regulation**”) on 10 April 2020, as a part of a package of the economic measures worth EUR 5.2 billion.

The Regulation provides tax benefits and direct payments to private sector as follows:

- (i) deferral of payment of salary taxes and mandatory social security contributions that are due in the period between 1 April 2020 and 30 June 2020, thus entities may pay these duties starting from 4 January 2021 in 24 equal monthly installments, without interest;
- (ii) business entities (other than large companies) are entitled to subsidies in the amount of three minimum salaries per each employee (approx. 250 EUR per employee), and
- (iii) large companies may receive subsidies in the amount of 50% of the minimum salary per employee that was absent from work due to suspension of work of the employer or reduction of workload.

The benefits are available for the privately owned business entities registered in the Republic of Serbia, which are neither part of the financial sector nor the users of public funds. Legal entities (including branches and representative offices of foreign companies) as well as entrepreneurs, registered farmers, and lump-sum entrepreneurs may use the benefits.

In order to maintain the employment rate the same as before the lockdown, the Regulation prescribes that all business entities in the private sector may apply for the benefits from the Regulation, provided they have not reduced the number of employees by more than 10% from 15 March 2020 until 10 April 2020, whereby the employees engaged under fixed-term employment contract expiring after 15 March 2020 are not counted for these purposes.

Moreover, in order to avoid losing the benefits, the business entities will also have to maintain the number of employees in a manner not to reduce the number of employees for more than 10% during the period from 15 March 2020 until the expiry of three months after the payment of the last instalment of direct aid.

Business entities using benefits shall not be allowed to pay dividends until the end of 2020 (except in shares). Otherwise, they will lose the right to benefits and will have to pay back all received benefits.

It is expected that most employers will use provided tax benefits and direct payments.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** There is still no official information regarding the change of the rate of unemployment caused by the pandemic of COVID-19.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** The Republic of Serbia still has not formally defined an exit strategy. However, based on the recommendations of the group of experts, the Government of the Republic of Serbia removes certain restrictions on a daily basis.

Thus, on 20 April 2020 the Government of the Republic of Serbia has allowed to the employers in the field of construction, services, retail trade, as well as to the green markets in the open and closed space, to continue their work starting from 21 April 2020, ensuring that all preventive measures related to the safety and health of employees and users of their services are implemented. In addition, on 24 April 2020 a recommendation was made to all business entities to continue to operate at full capacity, with the obligation to apply all preventive measures to ensure the safety of employees and the safety of service users. Starting from 27 April 2020, hairdressers, beauty salons and gyms are allowed to work in accordance with the stipulated protection measures.

Finally, it is announced that cafes will start working on 4 May 2020, and shopping malls from 8 May 2020, when public transport is also expected to be established in the capital. The preschool education institutions are expected to be open on 11 May 2020.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** In addition to the described tax benefits and direct payments to private sector, on 16 April 2020 the Government of the Republic of Serbia adopted the decree establishing a guarantee scheme as a measure of economic support for mitigation of the effects of the COVID-19 pandemic. Accordingly, the Republic of Serbia has undertaken the obligation to provide guarantees for loans disbursed by commercial banks for financing liquidity and working capital of business entities in private sector, so

# SERBIA

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banks may place, within this program, up to EUR 2 billion in loans to all entrepreneurs, micro, small and medium-sized enterprises. Use of the respective guarantee scheme is possible from 21 April 2020.

Further, the Government of the Republic of Serbia also adopted measures concerning support to farmers due to the spread of the infectious disease COVID-19, including regulation prescribing financial support to the agricultural farms through facilitated access to credits.

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** Slovenia has not declared a “state of emergency”. However, the state of epidemic of a contagious disease SARS-CoV-2 (COVID-19) was declared on March 12, 2020 at 18.00 hours and temporary measures in various fields of social life and economy have been adopted since. The majority of temporary measures shall apply until the state of epidemic is suspended (with some applying until May 31, 2020 or June 30, 2020).

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** The first official case of COVID-19 in Slovenia was registered on March 4, 2020. In the following days the number of infected persons grew exponentially and on March 12, 2020 at 18.00 hours the state of epidemic of a contagious disease SARS-Cov-2 (COVID-19) was declared.

All educational institutions (with the exception of facilities, working with adolescents with emotional and behavioral disorders) were closed on March 16, 2020. As of May 18, 2020, kindergartens and schools for limited age groups (the first three grades of elementary schools and fourth-year high school students, who are going to graduate this school year) shall open again.

The majority of borders with all neighboring countries (i.e. Italy, Croatia, Hungary and Austria) were also closed and special regime was adopted on limited open checkpoints (former border crossing points). Air traffic was stopped completely. From April 12, 2020, a 7-day obligatory quarantine with obligatory testing for COVID-19 thereafter applies for people entering Slovenia. All nationals are advised against non-essential travel abroad during the current situation.

Slovenia adopted the measure of social distancing as the key prevention measure to contain the spread of COVID-19 and as of March 16, 2020 public transport, most public institutions (libraries, cinemas, galleries, museums, etc.), as well as the supply and sale of non-essential goods and services directly to consumers, were suspended. The operations of administrative units, courts (all non-urgent open court hearings were cancelled and currently judicial procedural deadlines are suspended) and notary offices were also strictly adjusted. The remote provision and sale of goods and services to consumers, pharmacies and food stores, as well as the sale of agricultural produce at farms were excluded from such temporary suspension.



As of April 20, 2020, the stores for the sale of construction and installation materials, technical goods or furniture, cars and bicycles, dry-cleaners, repair shops for motor vehicles and bicycles are also exempted and as of May 4, 2020, the exception will also apply to hairdressing and beauty salons and pet care salons, as well as to stores of up to 400m<sup>2</sup> in size (with the exception of shops located shopping centers, which will remain closed for now). Bars and cafes will gradually open as well, as of May 4, 2020 with the opening of gardens and terraces. As of March 30, 2020 purchases from 8:00 to 10:00 can only be made by vulnerable groups (i.e. persons aged 65 or more, disabled persons and pregnant women), whereby persons aged 65 or more were able to only make purchases during those time slots. This limitation was already abolished at the end of April 2020. The use of protective masks and disinfection of hands is obligatory in all public closed spaces.

As of March 20, 2020 temporary prohibition of public gatherings at public meetings and public events and other events in public places applies. The prohibition of movement outside of the municipality of permanent or temporary residence was in place since March 30, 2020 until April 29, 2020. As of April 18, 2020 certain sport activities of individuals are allowed, as well as the maintenance and seasonal work on private land outside of the municipality of residence (upon the presentation of the title to the use of such land or facility and a handwritten statement).

The operations in all health institutions in Slovenia and at all levels were adjusted to the spread of COVID-19. The majority of non-life threatening and preventive procedures and examinations were initially cancelled, the obligation of calling in advance before visiting any health center was instituted and all health institutions banned visits. Health professionals are prohibited from travelling abroad and their right to leave and strike is restricted. Following the initial cancellation of most medical procedures and examinations, this ban was adapted mid April, reintroducing most emergency and moderately urgent medical services and examinations to patients.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

***A:*** At the beginning of the epidemic the Ministry of Labor, Family, Social Affairs and Equal Opportunities published clarifications and recommendations for employers regarding assigning work from home and other work in exceptional circumstances. Unilateral assignment of work from

home in such circumstances (covering also the state of epidemic) is possible, but an employer is still obliged to ensure healthy and safe working environment. The majority of people, who are able to work from home, are currently working from home, other are either working in smaller shifts, part-time, or under a different distribution of working-hours, in order to minimize contact of a large number of employees. Employers are obligated to ensure a safe and healthy working environment with regular disinfection of the workplace and provision of protective equipment.

On March 20, 2020 the National Assembly of the Republic of Slovenia adopted the Intervention Measures in the Field of Salaries and Contributions Act, which came into effect on March 29, 2020. Pursuant to the provisions of the Intervention Measures in the Field of Salaries and Contributions Act employers are entitled to (i) full reimbursement of salary compensations paid to employees, who were ordered to stay in quarantine and cannot work from home and to (ii) partial reimbursement of salary compensations (in the amount of 40% of paid salary compensations) paid to employees, who wait for work, provided that:

- an employer cannot provide work to more than 30 % of employees and therefore order the to wait for work at home;
- an employer submits a description of his business situation due to the COVID-19 epidemic and
- an employer binds himself to sustain employment positions of such employees for at least 6 months after the start of the waiting for work at home.

However, the Intervention Measures in the Field of Salaries and Contributions Act was temporarily amended by the Mega COVID-19 Act at the beginning of April 2020 (see below).

On April 2, 2020 the National Assembly of the Republic of Slovenia adopted so called Mega COVID-19 Act (formally known as the Intervention Measures for the Containment of COVID-19 Epidemic and Mitigation of Its Consequences on Citizens and Economy Act), which came into effect on April 11, 2020. On April 28, 2020 the National Assembly of the Republic of Slovenia adopted certain amendments to the Mega COVID-19 Act, which were published in the Official Gazette of the RS on April 30, 2020 and came into effect on May 1, 2020.

The Mega COVID-19 Act provides for temporary measures in various field of social life and economy, as well as financial assistance to companies and employees affected by the epidemic, self-employed, pensioners, students, large families and welfare recipients. The temporary measures

are envisaged to apply until May 31, 2020, unless the declared epidemic is not suspended by May 15, 2020 (in such case the measures shall be prolonged until June 30, 2020).

The key temporary measures of the Mega COVID-19 Act in the field of employment relationships and work are, as follows:

- the (partial) reimbursement of salary compensations (in the amount of 80% of the salary, but not more than an average salary in the Republic of Slovenia) and exemption from payment of social contributions for employees, ordered to temporarily wait for work or not working due to force majeure (i.e. closure of schools and kindergartens, shut down of public transport or closure of national borders) – only applicable for companies with estimated decrease in their revenue in 2020 for more than 10% in comparison to 2019 (if at the end the company will not meet the conditions, it will be obligated to return the received funds). State budget user, as well as financing and insurance companies with more than ten employees are excluded. Additional conditions for eligibility apply (such as duly payment of salaries, social contributions and taxes, etc.);
- partial exemption from payment of social contributions for employees, who perform work during the COVID-19 epidemic – the exemption applies to payment of pension and disability contributions for April and May 2020;
- payment of a special crisis bonus (200 EUR monthly), exempt from all taxes and contributions to employees, who keep on working during the COVID-19 epidemic (partial payment to employees who do not work for the whole month or part-time employees);
- coverage of employee's sick leave during the COVID-19 epidemic by the state;
- exemption from payment of contributions for the obligatory professional insurance.

The maximum amount of public funds an individual company may receive is limited to EUR 800,000 gross (before taxes and other liabilities).

There are no explicit COVID-19 related bans on terminations of employment, however it is not possible to dismiss employees under the argument of force majeure and all regular provisions of the Employment Relationships Act apply for any termination during the COVID-19 epidemic. In principle, an employer can only dismiss an employee in case of existence of a justified, legally prescribed reason and certain categories of employees are protected against termination. However, it is not clear how the courts will assess potential terminations due to (short-term) business reasons during the COVID-19 epidemic, taking into consideration all available temporary measures (such as

such as the reimbursement of salary compensations for employees, not working due to the epidemic) and the principle under which termination of employment is considered an “ultima ratio” measure.

The temporary measures, foreseen by the Mega COVID-19 Act (inter alia) modify the provisions of the previously adopted Intervention Measures in the Field of Salaries and Contributions Act for the duration of the applicability of the Mega COVID-19 Act. The measures of the Intervention Measures in the Field of Salaries and Contributions Act shall apply (if not amended or repealed) only after the expiry of the temporary measures pursuant to the Mega COVID-19 Act.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** The last official data of the registered unemployment rate in the Republic of Slovenia was published for February 2020 (the unemployment rate was at 7.9% - 7.5% for men and 8.5% for women). At this point the exact change in the unemployment rate due to the COVID-19 epidemic is not known, but it is expected to rise, in particular in industries such as tourism, hospitality, construction and trade industry.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** Slovenian government assessed that Slovenia has managed to contain the Covid-19 to a large extent and found that on this basis certain restrictions can be gradually relaxed.

Temporary prohibition of offering and selling goods and services to consumers has already been lifted in relation to stores selling mostly construction and installation materials, technical goods or furniture, specialized shops for selling motor vehicles and bicycles, dry cleaners and repair shops, the personal collection of goods or food at pick-up points ensuring minimum contact with consumers, hair and beauty salons, certain sports and recreational services, pet grooming salons, with effect as of April 20, 2020, and in certain cases as of May 4, 2020.

According to the Slovenian prime minister, the next easing of restrictions can be expected in the beginning of May, provided that the test results of the COVID-19 screening points and the results of the general sample survey are favorable. It seems that if the use of a mobile phone application to

control the movement of infection will be approved, at least on a voluntary basis, then the restriction of movement to the municipality of residence might also be lifted, at least in a few least affected regions.

Slovenian government expects to adopt a third anti-corona package at the end of May 2020, which will focus on facilitation of smooth transition back to normal. As announced by the Slovenian Prime Minister Janez Janša on April 21, 2020, with the third anti-corona package some measures from the first anti-corona package are planned to be extended for the most impacted sectors, especially tourism. Also, the government intends to remove an excessive number of bureaucratic barriers preventing faster development, to ensure more investments, more jobs and better wages for employees, and to encourage reshoring manufacturing from Asia back to Europe, and generally from abroad to Slovenia.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** In March and in the beginning of April 2020, several intervention acts were adopted and entered into force ('the first anti-corona package'), which introduced an array of measures aiming to preserve jobs and keep businesses in operation, improve the social position of people, particularly those most at risk due to the SARS-CoV-2 virus, provide emergency assistance to the self-employed, improve the liquidity of businesses, provide support to scientific research projects in the fight against the COVID-19 epidemic, grant exemption from payment for distribution services, and provide aid to agriculture. According to the assessment by the Slovenian government, the first anti-corona package provided for allowances for more than one million recipients.

Among the measures providing financial support to help businesses cope with the consequences of the lockdown, in addition to the measures presented above in Chapters I. and II., the following can be pointed out:

- the self-employed who declare themselves affected by the crisis receive EUR 350 for March if they prove that their income has declined by at least 25% compared to February 2020, and EUR 700 for April and May 2020 if they prove that their income has declined by at least 50% compared to February 2020. At the same time, the state also covers all related social security contributions;
- prepayment of corporate income tax and the payment of self-employment income tax have been suspended;

# SLOVENIA

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- payment deadlines for payments to private suppliers from public funds were reduced to 8 days;
- a deferral of borrower's payment obligation was introduced, which enabled Slovenian borrowers affected by the Covid-19 epidemic to demand a 12-month moratorium on payment of obligations under loan agreements entered into with Slovenian banks and/or Slovenian subsidiaries of EU banks;
- a 12-month deferral of credit and other obligations arising under the laws regulating aid for rescuing and restructuring of companies and cooperatives in difficulty was introduced;
- public funds established by the Republic of Slovenia were given a right to grant their borrowers deferral of payment obligations arising under credit agreements, for up to 12 months;
- loans, guarantees, guarantee schemes and other financial products were made available to businesses by the SID Banka, d.d., Ljubljana (promotional development and export bank 100% owned by the Republic of Slovenia, the Slovenian Enterprise Fund and the Ministry of Economic Development and Technology.

On April 28, 2020, the second anti-corona package has been adopted by the Slovenian National Assembly. The second anti-corona package aims at the provision of liquidity and at facilitation of the conservation of production and development potential of the Slovenian economy, and added over 300.000 beneficiaries of allowances to be received by groups of people affected by the epidemic and vulnerable groups. Amongst the measures, there are also state guarantees in the amount of over EUR 2 billion for credits raised up to a certain ceiling by companies and individuals who are engaged in commercial activities, to facilitate bank borrowing by companies for liquidity purposes.

Slovenian government expects to adopt additional, third anti-corona package at the end of May 2020. With it, the government will focus on facilitation of smooth transition back to normal, whereby some measures from the first anti-corona package are also planned to be extended for the most impacted sectors, especially tourism.

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** Yes, the state of emergency was introduced by Royal Decree 463/2020 on March 14, although prior to this some regions (i.e. Madrid) also enacted their own restrictive measures. It is foreseen to be in force until May 10, but its extension for an additional period of at least 2 weeks is expected.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** At a national level, the abovementioned Royal Decree 463/2020, dated March 14. The first case of COVID-19 registered was on January 31<sup>st</sup>.

The term for the current emergency is until May 10, but the Government is periodically extending this emergency status every 2 weeks, so a new extension is expected until May 25.

- most significant measures:

- ✓ land borders closure;
- ✓ non-essential movements in and outside the country ban;
- ✓ schools and universities closure;
- ✓ non-essential production stopped;
- ✓ shops closure and business closure: retail commerce; hotels and restaurants; all sport spectacles; religious acts;
- ✓ outside activities restrictions (parks and public recreation areas closure);
- ✓ work from home requirements;
- ✓ non-essential open court hearings ban.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers’ keep the employment rate the same as before the lockdown?***

**A:** The main measure is the new regulation enacted for collective suspension of employment contracts (or reduction of the working time), based on force majeure (i.e. for those business legally obliged to close) or based on productive/economic reasons related to COVID-19. If the collective



suspension for force majeure is authorized by the relevant Employment Authorities, the employer would be able to get exemptions in the payment of Social Security contributions during the emergency state situation. In this case (Social Security exemptions), the employer should commit to not terminate the suspended employees during a period of 6 months from the end of the emergency status.

On the other hand, terminations based on COVID-19 related grounds would not be accepted (which in principle would mean that those terminations would be declared unfair in the case of a legal dispute).

The collective suspension measures are initially contributing to reduce the level of terminations, but a significant increase of the terminations at the end of the emergency status is expected.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** In Spain the level of unemployment percentage has increased from 13.6% (February) to 14.5 (March) and a new increase is expected with respect to April (this data to be announced at the beginning of May).

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** Initial measures are being announced (not yet officially published) for the next month and a half. Theoretically, it will imply three different phases where the return to business and personal normal activity will be gradually regulated. In principle, all business will not be able to return to normality soon, and it will imply an increase in the number of employment terminations.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** Social Security exemptions are in place for those employers who have applied for collective suspensions due to force majeure (whose applications have been approved). Tax measures have also been enacted mainly for small business and free-lances (i.e. delay in the declaration and payment of taxes).

# SPAIN

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** No. As a matter of fact, it is generally not possible to put in effect a “state of emergency” in Sweden. The Swedish constitution remains in full effect until Sweden is more or less under siege of a foreign power.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:**

- The first case in Sweden was reported at the end of January. Significant measures have been implemented and gradually increased since the first half of March.
- During the period 19 March-15 May 2020, only absolutely necessary travels into Sweden from countries outside the EU are permitted.
- Until 15 June, the foreign affairs department advises against travels that are not absolutely necessary to all countries.
- High schools and universities operate with remote teaching.
- Public gatherings of initially 500, but now 50, persons are prohibited.
- Generally, shops and business are open. This also goes for restaurants and bars, but only table service is permitted and the tables need to be 2 meters apart, in order to allow for social distancing.
- No mandatory mask wearing.
- Working from home is encouraged, but not required.
- Outside activities are encouraged, provided that social distancing can be observed (2 meters).
- Only child/youth sports games are allowed, and without audience participation, in order to avoid breaching the 50 person limit.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers’ keep the employment rate the same as before the lockdown?***

**A:** Yes, significant measures have been put in place, and more can be expected.

- Social security charges have been temporarily lowered from approx. 32 to 10 %.

# SWEDEN

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- The government has taken over the responsibility to pay sick pay even in the first 14 days of illness.
- A widely used possibility to put employees on furlough leave has been implemented. Under this scheme, the employees still receive over 90 % of their salary, but the government picks up a very large portion of the salary cost. Administration and payout has been quick and non-bureaucratic, but a follow-up will take place in 3 months, where the businesses have to submit proof that they meet the requirements for receiving the allowance.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** Unemployment rate is currently at 7 %, but the effects of the corona crisis are not yet showing (because of notice periods etc). However, the figures are expected to rise significantly, and 11-15% towards the third quarter have been mentioned.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** Not yet, but political initiatives can be expected in early May.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** Please see above. In addition, in the non-employment sector, rent contribution schemes have been implemented, as well as favorable government loans. More can be expected.

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**VINGE**

# SWITZERLAND

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## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a "state of emergency" in effect in your Jurisdiction?***

**A:** On 16 March 2020 and until April 19, Switzerland entered into the "state of emergency". The introduction of the "state of emergency" is based on the Federal Act on Epidemic. The main effect is that the Swiss federal government is the sole authority (has all powers) to govern the country with respect to the administration of the pandemic COVID-19, including restricting individual liberties.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** The first measures were introduced on 16 March when Switzerland entered into "state of emergency", i.e. three weeks after the first COVID-19 official registered case.

The measures and bans are currently in the process of being gradually lifted.

The measures introduced in Switzerland include essentially :

- land borders closure;
- schools and universities closure;
- non-emergency access to public healthcare restrictions (now lifted);
- shops closure and business closure (all non-essential shops have been closed since 16 March, but are gradually re-opening);

Whereas the mask is mandatory or recommended in specific circumstances (such as in hospital), Switzerland has not introduced a general mandatory mask wearing.

With respect to home from work requirements, the following should be noted:

Employers have a duty to allow staff at especially high risk to work from home, if necessary by allowing them to perform appropriate alternative tasks. If it is imperative for an employee to be physically present, the employer must take steps to protect that person by adapting procedures or the working environment. A person at especially high risk may refuse work if they consider the risk to their health to be too great. If it is not possible for the person to work at home or at the workplace, the employer must place the employee on leave while continuing to pay their wages.

# SWITZERLAND

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The employer may request a medical certificate stating why the employee is considered to be at especially high risk.

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** The most significant measure to keep the employment rate as before the lockdown consists of the possibility to introduce short-term working. This regime is available where the employer is implementing a temporary reduction of the contractual working time for reasons which do not fall within the scope of normal operational risks (COVID-19 is not a normal operational risk). "Short-term working" aims to maintain the employment relationships and avoid dismissals. The indemnities paid under this regime cover 80% of the corresponding loss of salary. In order to be eligible to receive these "technical unemployment" indemnities, the following conditions must be fulfilled:

- The employment contract has not been terminated;
- The loss of work is temporary and the reduction of working time will most probably permit to maintain the employment relationships;
- The working time is controllable;
- The loss of working time amounts to at least 10% of the employee's normal working time;
- The loss of work does is not due to a normal operational risk (cf. above).

A significant number of Swiss employers have applied for short-term working for their employees. It is estimated that up to a third of Switzerland's employees is concerned by the short-term working.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** The unemployment rate has increased from 2.1% to 3% roughly (the exact figure is not yet available). It is anticipated that unemployment will continue to increase.

## III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

# SWITZERLAND

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**A:** The Swiss government is implementing a three-phase plan for restoring Switzerland to normality:

- Since 27 April, hospitals are able to resume all medical procedures, including non-urgent procedures, and outpatient medical practices, hairdressing salons, massage practices and cosmetic studios will be allowed to reopen. DIY stores, garden centres and florists will also be allowed to reopen. The protection of the public and of staff must be assured.
- On 11 May: If the situation allows, schools for children of compulsory school age and shops will be able to reopen.
- On 8 June: Upper-secondary schools, vocational schools and higher education institutions, as well as museums, zoos and libraries may reopen, providing there is no resurgence of the coronavirus in the country.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** The most important financial support schemes available are:

- a support in the form of special temporary bank credits . The objective is that companies can easily benefit from credits representing up to 10% of their turnover or of an amount of up to CHF 20 mio. Amounts of up to CHF 500,000 will be paid by the banks without delay with a guarantee provided by the Swiss State;
- postponement of payment of social security contributions. The postponement will not bear interests;
- postponement of taxes without interests.
- temporary stay of debt collection and bankrupt proceedings (however, this temporary stay is no longer available).



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# FRORIEP

## I. Lockdown Measures Across Europe - Governmental advisories

***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** The first case detected was announced on March 11th by Ministry of Health. Accordingly, on March 21, the government announced the first lockdown on people aged 65 and over and people who have chronic illnesses to reduce the pace of the outbreak and maintain social distance. Later on, this restriction was expanded to include children and youth aged 20 and under on April 3. These limitations continue without time limit. On April 11th-12th, a temporary and general lockdown was applied for 31 metropolitan municipality, for two days. Following that, there was a 4-day lockdown applied for April 23rd-26th and now, a general lockdown is applied for May 1st-4th. Except for some exceptional circumstances, in case of violation of lockdowns (permanent, partial or general), the lawbreakers may be subject to administrative fines and imprisonment.

In light of the foregoing, a state of emergency has not been declared by the government until today most probably due to it will make large effects on the economy. However, applying of (i) occasional and temporary lockdowns that combines public holidays and weekends, and (ii) persistent lockdowns that involves people who cannot work due to their age, are positive developments to prevent the pandemic from spreading. In addition, the government has announced this week that the pandemic peaked in Turkey recently and it has been under controlled. In this case, we evaluate that the temporary lockdowns will be applied from time to time and it is not likely to be declared a state of emergency if there is no change in the decreasing trend of the epidemic in our country.

***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** It has been 50 days since the first case detected was announced. Following this, the government announced the first lockdown on people aged 65 and over and people who have chronic illnesses on March 21 and this restriction was expanded to include children and youth aged 20 and under on April 3. These limitations continue without time limit.

The measures taken for the COVID-19 in Turkey are as follows:

- ✓ Public places such as cafes, shopping centers and entertainment venues were shut down indefinitely. In addition, the barber, hairdresser, beauty centers were shut down since



# TURKEY

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people are together without social distance in such workplaces and there are many physical contacts during the procedure.

- ✓ The activities of some workplaces were suspended indefinitely. For example: night clubs, bars, theaters, cinemas, show centers, concert halls, engagement/wedding halls, casinos, pubs, taverns, hookah cafe, internet cafe, all kinds of game salons, all kinds of indoor playgrounds, swimming pool, Turkish bath, sauna, spa, gyms etc.
- ✓ Border crossings were closed to the countries that were at risk and gradually to all the neighboring countries, and eventually banned both international and national flights.
- ✓ Taxi activities have been reduced by half. Governorate permit is required for all entrances and exits for 31 metropolitan municipality indefinitely, even if it is made with a personal car. For other cities, traveling by intercity bus was canceled indefinitely.
- ✓ Education in primary, secondary and high schools as well as at universities are suspended and home schooling is provided via Internet and television indefinitely.
- ✓ It is decided that markets will serve between 9 am to 9 pm in the provinces/districts indefinitely. The maximum number of customers in the market between these hours can be one tenth of the total area served directly to the customer. It is also decided that the outdoor markets / sales places will operate until 7 pm at the latest, and sales that are non-essential such as clothes are prohibited in these places.
- ✓ People are prohibited from picnicking, fishing, doing exercise and walking on the coasts, parks and picnic areas indefinitely. All judicial proceedings are suspended until 15<sup>th</sup> of June excluding non-essential court hearings.
- ✓ A general amnesty was made by enacting a new law of execution. In this case, it was decided to release some prisoners under jail under certain circumstances.
- ✓ All sports leagues were postponed indefinitely.
- ✓ Public events such as conferences, panels, exhibitions, meetings, workshops and conventions were canceled indefinitely.
- ✓ The Directorate of Religious Affairs has moved to suspend prayers in congregations at mosques indefinitely.
- ✓ An aid of TRY 1,000 payment for families in need for more than 2 million households was announced. The aid in cash were delivered directly to the houses of families to make sure that social distancing measures are observed.
- ✓ Wearing face masks in public places where people are crowded, such as markets, outdoor markets and public transportation vehicles became mandatory indefinitely and the masks delivered free of charge to all citizens who are between the ages of 20-65 years old (who are not covered by the persistent lockdowns).

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** As we mentioned above, a general persistent lockdown of a state of emergency has not been applied in Turkey. However, in order to help employers keep the employment rate the same as before the pandemic, the following legal regulations firstly have been made:

- ✓ In cases where time worked has been considerably lower than the normal working time or where operations are stopped entirely for reasons of suspending work due to force majeure, the employer may call upon compensatory work within four months (previously it was 2 months) in order to compensate the time lost due to unworked periods. The President is authorized to extend the period to eight months.
- ✓ Employers may put employees on a temporary (not to exceed three months) short-term employment due to pandemic. Short-term employment can be applied by choosing one of the following options by employers:
  - i. Temporarily reducing its working time applied in the workplace by at least 1/3 in the whole or part of the workplace, or
  - ii. Complete or partial suspension of operation of the whole or a part of the workplace for at least four weeks without the condition of continuation.

Following the Company's application to the Turkish Employment Agency for the one of above options, the daily short-term employment allowance shall be paid to the employees' bank accounts from the Unemployment Insurance Fund. Therefore, employers can reduce to pay the employees' wages and SSI premiums accordingly for the period of not working during short-term work.

- ✓ The payment terms of the SSI premiums of employers serving in certain sectors for March, April and May have been postponed for 6 months without applying delay penalty and delay increase. In addition to this, within the scope of the lockdown, SSI premiums for employees aged 65 and over and those with chronic illnesses can be paid within by employers within 15 days of the following lockdown ends.
- ✓ Minimum wage support for employers continues.

In light of the foregoing, a new omnibus law ("**Law**") named Law Regarding Reducing the Effects of Coronavirus Outbreak (COVID-19) on Economic and Social Life and Amendments on Certain Laws

# TURKEY

has been announced in the Official Gazette on April 17 and entered into force at the same date. The Law stipulates regulations on many issues, particularly concerning employers and employees;

- ✓ Conclusion of collective labour agreements, resolutions of collective labour disputes and the processes regarding strike and lockout shall be ceased for three months.
- ✓ The termination of the employment contracts of employees shall be prohibited for 3 months (may be extended), following the Law enters into force (excluding the reasons that are contrary to ethics and goodwill and similar cases),
- ✓ Due to prohibition of termination, employers may put employees on unpaid leave without obtaining employees' written consent and employees cannot terminate their employment contracts due to said reason.
- ✓ Employees (i) who cannot benefit from short-term employment allowance and who are placed to unpaid leave and (ii) whose employment contracts are terminated after March 15<sup>th</sup> and who cannot benefit from unemployment allowance within the scope of other provisions of the Law; shall be provided an allowance of TRY 39.24 daily support from the unemployment fund.
- ✓ Employees may benefit from general health insurance while they are on unpaid leave.

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** The official unemployment rate of each month is announced on the 10<sup>th</sup> of the next month by Turkish Employment Agency. Therefore, March data, which is the month when the first registered case of COVID-19 was announced this month and thus the pandemic contributed to unemployment for the first time, was only officially announced. Accordingly, the number of registered unemployed persons increased by 6.5% compared to the previous month and became 3,675,116. However, due to the fact that these records are formal and do not show unregistered employees, it is estimated that a total of 2 million peoples' employment contracts were terminated in March and April.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** A Cabinet meeting held on Monday, May 4<sup>th</sup>, concluded with the announcement of new steps toward normalization in Turkey. It is decided to ease some restrictions but the majority of them will

# TURKEY

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remain in place, especially for the big cities. The President outlined the country's normalization schedule and highlighted that it shall apply "stage by stage" by extending these extension periods of restrictions over May, June and July.

According to his announcement, the senior citizens, children and teenagers will be allowed to go out for four hours for one day for the first time in weeks. Barbershops, hairdressers and shopping malls shall also be allowed to be opened but with special measures, to keep protection against coronavirus.

The President made his statements in reference to tight protective measures which shall continue for a while, such as mandatory usage of masks and gloves and strict social distancing rules in public areas. He also pointed out that tougher steps would be taken if people fail to follow the rules.

On May 10, the elderly will be allowed to go out within walking distance of their homes for four hours. The same measure will subsequently apply to children and young people, for one day per group. On May 13, children up to age 14 will also be able to go out within walking distance of their houses from 11 a.m. until 3 p.m. The same four-hour permit will be applied to those aged between 15-20, on May 15.

Since March 21, around 7.5 million senior citizens have been under lockdown, banned from going outside in a measure taken to stop the spread of the new coronavirus. The same restriction was brought in by the government for people under the age of 20 on April 4.

On May 11, shopping malls, barbershops and some stores shall be allowed to open as long as they abide by normalization rules, which includes "allowing a limited number of customers inside with strict hygiene and social distancing rules".

As of June 15, Universities shall "return to their academic calendar".

The travel restrictions for Antalya, Aydın, Erzurum, Hatay, Malatya, Mersin and Muğla shall be lifted. Travel to and from these 7 provinces will be permitted starting Monday night. Entrance and exit bans will stay in place for the remaining 24, which includes Turkey's economic and cultural hub of Istanbul and capital Ankara, for another 15 days.

# TURKEY

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Turkey has not imposed a stringent nationwide lockdown since reporting its first positive case on March 11, resorting instead to weekend curfews in 31 provinces and cities.

The President stated that Turkey had a four-point contingency plan against the pandemic that adhered to social distancing and ensured the sustainability of the health care system, public order and an uninterrupted supply and production chain for basic foods.

Additionally, he also added that Turkey's normalization plan will "progress through the next two months" when new regulations and the lifting of some restrictions will be announced gradually.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

***A:*** The government announced its financial support package on March 18<sup>th</sup>. Accordingly, what has been agreed in accordance with the announcement to help businesses cope with the consequences of the pandemic is summarized by us below:

- ✓ For certain sectors, withholding and VAT deductions and SSI premiums for April, May and June; have been postponed for six months.
- ✓ The companies whose cash flow has been disrupted since they are affected by the pandemic-related measures, credit principal and interest payments to banks have been postponed for a minimum of 3 months and it is undertaken to provide additional financial support if necessary.
- ✓ The craft and related trades employees' principal and interest payments of the credit payables to public banks for April, May and June are postponed for 3 months and without interest in case they indicate that their works are adversely affected during this period. In addition, financing support for crafts was also agreed.
- ✓ In order to maintain the rate of capacity utilization during the temporary slowdown in exports, it was decided to provide stock financing support to the exporters.
- ✓ The Credit Guarantee Fund limit was increased from TRY 25 billion to TRY 50 billion, credits were given to companies and SMEs with priority liquidity needs and collateral deficits since they were negatively affected by the developments.
- ✓ Another new measure taken with pandemic is receivable insurance support. With this support covering SMEs, it is aimed to guarantee their trade receivables. Therefore, the terms of state-sponsored trade receivable insurance have been extended and facilitated.

# TURKEY

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- ✓ In case companies fail to meet financial obligations due to the pandemic effect in April, May and June; there will be made an entry of “force majeure” to the credit registry for these companies.
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## I. Lockdown Measures Across Europe - Governmental advisories

### ***Q: Is a “state of emergency” in effect in your Jurisdiction?***

**A:** On 25.03.2020 the Cabinet of Ministers of Ukraine adopted Resolution No338-p, by which the emergency situation was set throughout Ukraine till 24.04.2020<sup>6</sup> and extended on 22.04.2020 it till 11.05.2020.

The regimes of emergency situation and state of emergence under Ukrainian legislation differ. Emergency situation is a special temporary regime arising from the disruption of the normal conditions of life and activity of people through an accident, catastrophe, natural disaster or epidemic. It does not imply government interference in the private companies' management or restrictions of rights and freedoms of the citizens. Instead, it means increased readiness and coordination of public and local government authorities. This can be expressed in the following actions: strengthening public order; informing citizens; disinfection of objects and territories; sanitary and hygienic, anti-epidemic measures.

### ***Q: Are there any legislative rules for enforcing social distancing in your jurisdiction?***

**A:** The first case of COVID-19 in Ukraine was confirmed by laboratory testing on March 03<sup>rd</sup>2020. 56 days passed since the first officially registered case. According to the general quarantine measures, initially approved by Resolution of the Cabinet of Ministers of Ukraine No 211 dated 11.03.2020, the list of current measures in our country includes:

- land borders closure (Done by a separate Resolution of the Cabinet of Ministers of Ukraine No 288-p dated 13.03.2020)
- non-essential movements in and outside the country ban (Ban of regular and irregular passenger carriage within urban, suburban, regional, interregional distance, except for transportation by personal cars, service and/or leased motor vehicles of employees of enterprises, establishments and institutions in cases set by resolution and provided that passengers and drivers use self-protective measures mentioned above; transportation of passengers by subway and railway);

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- schools and universities closure;
- shops closure and business closure (Prohibition of work of business entities which involves reception of visitors, including catering companies (bars, restaurants, cafes etc.), shopping and entertainment centers, other entertainment establishments, fitness centers as well as culture, commercial and consumer services establishments. This restriction does not apply, for example to establishments providing citizens with food, fuel, hygiene products, medicines etc. subject to provision of personnel and visitors with personal protective equipment, including respirators or face masks, staying in room of not more than 1 visitor per 10 square meters of retail space and compliance with other sanitary and anti-epidemic measures; financial services, veterinary practice, functioning of petrol stations, maintenance and repair of vehicles, trade and catering services applying address delivery of orders subject to provision of personnel with personal protective equipment);
- outside activities restrictions (Prohibition of being in public places without wearing any personal protective equipment including respirator or protective mask, including self-made; moving by more than two persons except the cases of business necessity and accompanying children under 14; visiting of parks, recreation areas, forest park areas, coastal areas, except for walking the pets by one person and in case of business necessity; visiting of sport and children playgrounds);
- social and sports events (Prohibition of conduction of all mass events (cultural, entertaining, religious, advertising and other), except events necessary for the work of state and local self-government authorities provided that the participants are provided with personal protective equipment);
- mandatory masks wearing (Only within the places/territories and in situations mentioned above. Additionally, it is obligatory to have the documents identifying the person/citizenship/special status at hand);
- work from home requirements (On 17 March 2020 the Parliament of Ukraine adopted the new Law of Ukraine No 530-IX "On Amendments to Some Legislative Acts of Ukraine Aimed at Preventing the Emergence and Spread of Coronavirus Disease (COVID-19)", which came into effect on 17.03.2020 with some exceptions. According to it, employers and employees can take such option as remote (home-based) work. Requirements: it may be used if not in



conflict with the specifics of the employee's job responsibilities; employee's consent is not necessary; it is formalized by the employer's order).

- non-essential open court hearings ban (All procedural terms and deadlines under the Code of Administrative Procedure of Ukraine, Commercial Procedural Code of Ukraine, and Civil Procedural Code of Ukraine are extended for the duration of COVID-19 quarantine; During COVID-19 quarantine, participants of a court case are allowed to take part in court sessions outside the courtroom through videoconferences (except for criminal cases); During quarantine, the court may limit access to the courtroom of persons who are not participants of a court process).

## II. Employment issues as a result of the lockdown

***Q: Has your jurisdiction introduced measures to help employers' keep the employment rate the same as before the lockdown?***

**A:** Under the aforementioned Law No 530-IX, employers and employees are allowed to use the following options (with appropriate requirements in brackets):

1. Remote (home based) work with afore mentioned requirements.
2. Shutdown (In case no work is actually carried out, but the employee retains earnings of at least 2/3 of the fixed salary; It shall be formalized by a shutdown certificate and the employer's order; no necessity in employee's consent).
3. Production downtime and arrangements for partial unemployment benefit (On employer's application within 30 days from the downtime/production-cutback date. For all employees (other than receiving pension) at the cost of Social Security Fund, it is paid by the Employment Center to the employer's account; benefit – in the amount of 2/3 of the fixed salary, however, not exceeding minimum wage; the employer has to meet a number of requirements (have no unified social contribution (USC) arrears, payroll debts etc.); benefits are provided only to employers (production companies) from among small and medium-sized enterprises; till the end of the set of quarantine period. Employee's consent: under the rules of Article 32 of the Labor Code of Ukraine (change of essential working conditions).

4. Unpaid leave (Employee's consent is necessary; It is done on an employee's application, for a term till the end of the set quarantine period);

5. Paid leave, if possible (Employee's consent is necessary (off-schedule leave); It is done on an employee's application, if there are unused days of leaves).

6. Sick leave (Normal sick leave – payment depending on the quality period of USC payments (from 50% to 100% of the average earnings); self-isolation – 50% of the average earnings regardless of the qualifying period. It is made on an employee's contacting a healthcare institution).

***Q: How has the unemployment rate changed since the lockdown or first registered COVID-19 case?***

**A:** According to official information provided by the State Statistics Service of Ukraine (<http://www.ukrstat.gov.ua/>), the unemployment rate in the 4<sup>th</sup> quarter of 2019 in Ukraine was 8.6%.

During the quarantine, the number of registered employees of the State Employment Service increased by 22%, which is twice more than in the same period last year, according to information provided by the press center of the State Employment Service.

In accordance with the Law No 530-IX, it is proposed to adopt regulations on unemployed benefits payable from the first day after contacting the employment center.

### III. Exit strategies and economic support

***Q: Has your jurisdiction introduced an exit strategy?***

**A:** At the moment, the Ukrainian government has unveiled a five-stage plan for exiting the quarantine and a plan of lifting the restrictions imposed earlier to counter COVID-19. Its fulfilment may start in the middle of May. Not depending on its duration (to our mind it shall be quite a long-term exit), the key point here – to keep staying within the legal field the employer-employee relations shall be built under requirements described above.

***Q: What kind of financial support schemes are currently in place to help businesses cope with the consequences of the lockdown? What support (if any) is anticipated in the near future?***

**A:** Within the measures taken during the fight against the spread of coronavirus disease in Ukraine, Verkhovna Rada on 17.03.2020 adopted a number of legislative acts that ease the tax burden on businesses for the duration of preventive measures. Particularly, the following tax breaks are envisaged:

1. A moratorium on actual and documentary tax audits for the period from 18.03.2020 to 31.05.2020 was introduced, except for the audits concerning the amounts of VAT budget refunds. Scheduled tax audits that occur during this period will be postponed.

2. The right not to pay and accrue the Unified Social Contribution (for themselves) for Private entrepreneurs, individuals carrying out independent professional activity and members of farms in the period from 01.03.2020 to 30.04 2020 was introduced. At the same time, the aforementioned period will be taken into account for the insurance period purposes.

3. The exemption from liability for violation of tax legislation, failure to pay / not timely payment of the Unified Social Contribution and failure to submit / not timely submission of the USC report in the period from 01.03.2020 to 30.04 2020 was introduced.

4. The deadline for filing annual income tax return has been extended to 01.07.2020.

5. The exemption from the accrual and payment of land and real estate tax was introduced from 01.03.2020 to 30.04.2020.

6. The term for mandatory introduction of the payment transaction reorders for private entrepreneurs has been extended until 01.01.2021.

7. A fine for failure to carry out settlement transactions through payment transaction reorders in the amount of 10%, 50% of the value of the products/services sold will be applicable in the period from 01.08.20 to 01.01.21, and from 01.01.21 - 100% and 150% fines will apply.

8. Import of medicine, medical devices and medical equipment for the coronavirus purposes (within the approved list) is duty free and VAT exempt.

9. Medicine purchased by the Purchasing Organization is VAT exempt until 31.12.2022 (in case of misuse – VAT must be paid in full).

10. The statute of limitations for determining the period of tax audits and the calculation of tax liabilities is suspended for the period from 18.03.2020 to 31.
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