

## PROTECTIVE MEASURES FOR EMPLOYEES AND COMPANIES

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On Wednesday morning, the President of the Republic of Poland, Andrzej Duda, chaired the Cabinet Council, a consultative body comprising of the president and the government. After the meeting, the President and the Prime Minister, Mateusz Morawiecki, announced a PLN 212 billion package of measures to protect businesses and employees against the adverse economic effects of the spreading coronavirus epidemic.

The President announced that the new legislation should be ready by the end of the week. However, during a press conference some details of the government support were released to the public. Reported major changes will include:

- support for the payment of employees' wages in companies suffering from financial problems; the aid limit, per employee, will be 40% the average salary in 2019;
- financial support for companies suffering downtime; it is reported that the state will cover nearly half of the employees' salary and social security costs;
- support for the self-employed, and people hired on contracts and specific work contracts by payment of a one-time monthly benefit from the Social Insurance in the amount of approx. 2 thousand PLN gross;
- the possibility for employees and companies to take advantage of bank loan holidays;
- the postponement of the deadline to submit PIT declarations until the end of May;
- the monitoring and application of restrictive measures against unjustified price increases and illegal practices on the cash loans market – this will be monitored by the Office of Competition and Consumer Protection;
- the extension of the working capital loan for small and medium-sized enterprises, and the possibility to obtain new financing secured with 80% de minimis guarantees from the Polish National Development Bank (Polish: Bank Gospodarstwa Krajowego).
- capital for companies provided by the Polish Development Fund (Polish: Polski Fundusz Rozwoju), and turnover insurance for companies provided by the Export Credit Insurance Corporation (Polish: Korporacja Ubezpieczeń Kredytów Eksportowych);
- the allocation of PLN 1.7 billion by the Industrial Development Agency to refinance the leasing contracts of transport companies;
- a low-interest loan of up to PLN 5,000 for 12 months from the Labour Fund for a micro entrepreneur employing up to 9 people;
- the possibility for entrepreneurs to postpone the payment of social security contributions with no penalties;

- the right to reduce taxable income by the amount of loss in 2020 by adjusting CIT for 2019 up to the limit of PLN 5 million for industries particularly affected by the macroeconomic crisis (e.g. transport, tourism) in the situation where the company's revenues drop by 50% in 2020 compared to 2019;
- additional funds of PLN 7.5 billion for health care to fight the SARS-CoV-2 epidemic, the development of a patient and doctor hotline, and the computerization and development of the Medical Care Home program (DDOM) for the elderly;
- no negative consequences for delays or penalties for companies in public procurement;
- the creation of a Public Investment Fund worth PLN 30 billion to stimulate the economy through public investment in infrastructure, roads, hospitals, schools, digitization, energy, and biotechnology;
- the postponement of payment for utilities;
- the prolongation of the validity of work permits granted to foreigners;
- BGK subsidies for interest on loans from the Fund Subsidy for interest on loans in the amount of PLN 500 million for the enterprise sector;
- the possibility for medium and large companies to obtain a capital increase or financing in the form of bonds from the PFR Investments fund totaling PLN 6 billion;
- the postponement of the entry into force of the new Uniform Audit File (JPK) to 1 July 2020; and
- the possibility for the head of the commune / mayor / city president to postpone the payment for perpetual usufruct.

**We will keep you informed on the further implementation of the above strategy.**

## Contact us



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