

THE MINISTRY OF DEVELOPMENT HAS ANNOUNCED WORK ON A COMPREHENSIVE SHIELDING PACKAGE FOR ENTREPRENEURS IN CONNECTION WITH THE CORONAVIRUS PANDEMIC.

The Ministry of Development has announced that it will develop a draft special law to introduce comprehensive support for entrepreneurs whose activities will be affected by the spread of Covid-19. At present, the specific form of these regulations is not known, but according to the announcement, the draft is to be submitted to parliament on 25 March and introduced on 1 April.

The planned package is to cover three areas: (i) relief and facilities for public payments, (ii) tools to improve the financial liquidity of entrepreneurs, and (iii) protection and support on the labour market for employers forced to cease their operations.

AS REGARDS TAX SETTLEMENTS, THE CHANGES ARE TO INCLUDE:

- retrospective settlement of a tax loss from 2020 with income earned in 2019 - current regulations allow settling a tax loss only "forward" for five consecutive tax years;
- changes in the recognition of expenses as deductible costs in relation to cancellations of tours, which will concern entities operating in the tourism industry;
- postponement of the entry into force of the new single control file (JPK) for large undertakings from 1 April 2020 to 1 July 2020;
- facilitation of the split payment mechanism;
- swifter VAT reimbursement;
- abolition of the prolongation fee, i.e. fee paid by taxpayers in connection with a spread in instalments or postponement of a tax liability repayment date.

It has also been announced that entrepreneurs affected by delayed or cancelled deliveries, payment bottlenecks, absence of employees, or activities aimed at guaranteeing the safety of citizens can count on assistance in the form of: deferred payment of taxes or social security contributions, an instalment agreement or a debt write-off.

OTHER REGULATIONS ARE TO INCLUDE, AMONG OTHERS:

- support from Bank Gospodarstwa Krajowego (BGK) consisting of guarantee support and subsidies to loans;
- increased guarantees granted by BGK under *de minimis* public aid to 80% of a loan instead of the current limit of 60%;
- change of the public aid scheme, including an increase of the *de minimis* public aid limit from EUR 200,000 to 500,000;
- introduction of subsidies to loan interest rates;
- delay until 1 July 2020 of the launch date of obligations related to entry into the Central Register of Actual Beneficiaries;
- facilitation of business suspension.

The announced solutions are to also cover protection and support of the labour market by shortening the crisis period entitling support to an employer from 6 to 3 months. At the same time, crisis is also supposed to mean a drop in turnover by 15%. This solution is to facilitate access to benefits from the Guaranteed Benefits Fund and the Labour Fund for employers in a difficult situation.

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